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BORBA VIEWS SOVIET REACTION TO NATO MISSILE DECISION

AU280957 Belgrade BORBA in Serbo-Croatian 24 Dec 79 p 6 AU

[Excerpts] Moscow, 23 December--The resolute statement made by Andrey Gromyko, minister of foreign affairs, at a formal luncheon in the Kremlin given in the honor of the president of Angola characterizes current relations with the United States.

Thus the Soviet Union, declaring itself through Politburo member Gromyko--who replaced Brezhnev at the aforementioned luncheon because Brezhnev is suffering from a cold--clearly made it known that it was revolted by the NATO decision in Brussels and that it will, at the price of even greater straining of relations with the United States, "go to the end in realizing its goals."

It is clear that the international public is interested in what the Moscow statement means, especially because the United States offered a dialog about which U.S. Ambassador to the USSR Watson officially informed Minister Gromyko.

In the new phase of strained relations between the two blocs, the Soviet commentators specifically criticize Jimmy Carter. The U.S. President is being accused of serving the military-industrial complex in his country and the so-called "hawks" and of "breaking the promises about detente which he had recently made." The new military program, the Brussels decision, the delay in ratifying the strategic arms limitation agreement (SALT II) and the statements by "reasonable senators who warn that the world is on the threshold of an atomic war," are used as arguments in that connection.

In such an atmosphere concern over such American policy is not hidden in Moscow; all the more, because it is not believed that Carter could now make a new and "positive turn."

"What to do then?"--a television commentator asked two guests, eminent representatives of the CPSU Central Committee, in the broadcast last night.

Naturally, the answer could not have been the most precise possible, but it moved within the frameworks of indications from the Kremlin. The Soviet Union will continue with its allies, that is the Warsaw Pact, to "follow" the Atlantic alliance and at the same time, as Andrey Gromyko said, "to renew the dialog with the rival bloc under conditions of no conditions."

At any rate, the new armament race continues. Both sides now openly admit it.

SLOVAK DAILY CRITICIZES WEST'S ATTITUDE TOWARD MBFR TALKS

AU280835 Bratislava PRAVDA in Slovak 21 Dec 79 p 7 AU

[Bedrich Zagar dispatch: "After the 19th Round of the Vienna Negotiations: The Western Proposals Have Not Drawn the Positions Closer"]

[Text] Vienna--Yesterday [20 December] afternoon, at the conclusion of the 19th round of negotiations on reducing the strengths of armed forces and armaments in central Europe, a press conference was held in Vienna's Hofburg. [paragraph continues]

It quite clearly implied that the new Western proposals are not the promised contribution toward achieving final agreement, toward detente and the consolidation of stability in Europe. On the contrary, the Western proposals have evoked puzzled reflections on whether they would not turn the negotiations back several years. One of the journalists present even asked whether the West was not ignoring, by its proposals, the more than 6 years of efforts in the Vienna negotiations, and whether it was not circumventing all that had been so far achieved in Vienna.

The Netherlands Ambassador de vos van Stenwijk, who had acquainted the journalists with the Western proposals, evaded any direct reply but instead repeated what had already been said--namely, that the proposals submitted by the West to the Vienna negotiations had been approved by the NATO Council at last week's session in Brussels and that they form a part of the "overall program of armament control."

The Western proposal roughly says that only the Soviet Union and the United States should reduce their troop strengths in the first phase and that the second phase would be specified after an agreement on the first phase--a most nebulous and unclear formulation.

The second part of yesterday's press conference was conducted by Ambassador Andre Wieland, head of the GDR delegation, on behalf of the socialist countries. In his statement he had to declare that even after the conclusion of the 19th round of the Vienna negotiations the partners had not moved closer to agreement on reducing the strengths of armed forces and armaments in central Europe and that the stagnation in the negotiations had not been overcome. On the contrary, the NATO Council's decision in Brussesls to deploy new missiles in central Europe--and thus also in the FRG, which is also an object of negotiations in Vienna--has provided the stimulus for a new round of feverish armament. That is why political responsibility for the state of the Vienna negotiations and for the situation in Europe lies with the NATO member states.

The statement of Ambassador Nikolai Tarasov, head of the Soviet delegation, which was read at the press conference, expressed the socialist countries' disappointment with the proposals of the West, which has not taken into account the socialist countries' proposals of last year or of this year, as they ensued from the Berlin session of the Warsaw Pact countries' foreign ministers committee. Likewise, the Western countries have intentionally not reacted to the Soviet peace initiative contained in the speech made by L.I. Brezhnev, CPSU Central Committee general secretary and chairman of the USSR's Supreme Soviet Presidium, on 6 October in Berlin.

Two opposed positions, two different approaches to the matter in hand are manifested in Vienna. The socialist countries are acting in unison to deepen detente and trust between the countries of the East and the West. The other position is expressed particularly in the rejection of, or the failure to react to the socialist countries' constructive proposals. Thus one cannot wonder that to certain representatives of the socialist countries it seems as though the West is not at all interested in an agreement.

If we examine the latest Western proposals more specifically we will immediately see that the West's attitude toward endeavors aimed at detente in Europe is not serious; Western proposals reflect unacceptable attitudes. Above all, NATO is constantly striving to acquire military supremacy, thus violating the main principle of the negotiations on reducing the strength of armed forces: The equal security of both sides. How else can one explain the Western demand that, in the first phase, the Soviet Union should reduce the number of its soldiers in central Europe by 30,000, while the United States merely reduces 13,000? Those figures were not officially publicized at the press conference, but for the last few days they have been appearing in the Western press. Another question is: Why should the reduction be made only by the USSR and the United States? The representatives of the socialist countries promptly came out with the answer--75 percent of NATO forces in Europe consist of the armed forces of the FRG, Britain and other NATO member countries. According to the Western proposals those countries would be excluded from the obligation to reduce armed forces and nothing would prevent them from even increasing those forces.

The Western proposals have completely circumvented the matter of the air forces, which is yet another grave deficiency of the proposals. "Forgetfulness" about the air forces evokes the suspicion that NATO wants to rely particularly on the most offensive weapons. The Western participants in the Vienna negotiations have not contributed to a speedy conclusion of the Vienna negotiations and are, in fact, driving them into yet greater complications.

The unilateral withdrawal of Soviet military units from GDR territory, as well as the compromise proposals of the socialist countries at the Vienna negotiations both last year and this year, after the Berlin session of the Warsaw Pact countries' foreign ministers committee, have obviously failed to "inspire" the Western partners. But by their united and rectilinear course, the socialist countries are obviously proving the unity of word and deed of their peace policy. Let us take into account yet another fact: Since the beginning of Vienna negotiations in 1973, the Warsaw Pact's armed forces in central Europe have been reduced, whereas the NATO forces have "enlarged" themselves during the 6 years like a snowball rolling down a hill. Today the NATO forces have 200,000 soldiers more than they had 6 years ago.

Another round of Vienna negotiations will start on 31 January. It is only to be hoped that the representatives of the NATO countries participating in the Vienna negotiations will make use of the intermission for thinking out more realistic proposals.

BTA JUSTIFIES SOVIET ACTIONS IN AFGHANISTAN

AU312028 Sofia BTA in English 1902 GMT 31 Dec 79 AU

['Afghanistan: What Made Soviet Aid Necessary?"--BTA headline]

[Text] Sofia, Dec 31, (BTA observer Petko Bocharov)--The days the Afghan people are living through now are fateful. This is clear for both their friends and foes: Those who are willing and ready to help them out of the darkness of feudal oppression, exploitation and misery and ignorance and those, who, because of their own privileges, political and material interests, want them back there where they had vegetated for centuries on end.

Everybody is aware that the clash is between the old and the new. Other peoples, too, have been through such days of fateful confrontation. And always before the old has yielded to the new. For otherwise human civilization would not have been able to march forward. This is what will take place in Afghanistan now. Social development is governed by laws of its own. Due to its class prejudices, the bourgeoisie is unable to comprehend history and it gives out hysteric cries each time an oppressed people it taking the decisive revolutionary step forwards to a brighter future. "One more communist plot!" the bourgeoisie shouts. And because its only dear wish is to have the rebellious people abandoned by everyone so that the rebellion can easily be smashed, the international aid of the socialist countries to this people is invariably interpreted as a "Soviet interference". Not long ago it was Ethiopia, now it is Afghanistan.

We should like to ask were the armed invasion into Ethiopia and the attempts to [word indistinct] this country into party anything else but an imperialist intervention. [sentence as received]

Were the actions of the United States and China in the wake of the April revolution of the people of Afghanistan anything different from imperialist interference in the internal affairs of Afghanistan? Is it necessary to enumerate all the facts? Who else, if not the imperialists, undertook it to fan and deepen the various tribal, class and religious differences in Afghanistan with the only view to breaking the unity of the people.

Whose were the agents that organized the counter-revolutionary gangs? Whose were the factories and which were the ways and whose was the territory the huge deliveries of arms, ammunition and money for these gangs crossed? Who financed the construction of their bases in Pakistan, and who was teaching them military art?

A lot more can be added to prolong the list of questions. It is true that the counter-revolutionary forces grew into a real threat to the April gains of the people of Afghanistan only because of the imperialist interference in their internal affairs. Recently this interference has trespassed every tolerable limit. And what is more (the West is tending to forget this fact) it is a case of intolerable interference in a country bordering on the Soviet Union and what is more a country which has a friendship, good neighbourliness and cooperation treaty signed with the Soviet Union.

The aid which the Soviet Union is now rendering Afghanistan is provided for under Article 4 of this treaty and all attempts at representing it as an "intervention" are less than convincing. Intervention there was and there is, but it came from the other side--from the side of imperialism and it was meant for the counter-revolution. And if there was not for it, there won't have been the plea of the Afghan Government for immediate Soviet aid in their struggle against the foreign aggression, in defence of the revolution. [sentence as received]

Britain, which held the people of Afghanistan in a colonial oppression for a solid eighty years, is now the [word indistinct] of the representatives of the Western countries to discuss, as reports say, the consequences from "the invasion of Soviet troops in Afghanistan." Naturally, every one has the right to discuss whatever he wishes. The historical experience of the people of Afghanistan, who took up arms in defence of their future, has already revealed to them who are their true friends.

FRIENDSHIP SOCIETY WITH AFGHANISTAN ESTABLISHED

AU311355 Sofia RABOTNICHESKO DELO in Bulgarian 27 Dec 79 p 6 AU

[Text] A Bulgarian-Afghan Friendship Society has been established in Sofia. Ivan Prumov, chairman of the Central Cooperative Union, has been elected chairman of the society.

ITALIAN COMMUNIST OFFICIAL PAJETTA ARRIVES ON VISIT

AU282058 Sofia BTA in English 1835 GMT 28 Dec 79 AU

[Text] Sofia, December 28 (BTA)--Mr Giancarlo Pajetta, member of the leadership of the Italian Communist Party, arrived today on a short visit to Bulgaria at the invitation of the Central Committee of the Bulgarian Communist Party.

ZHIVKOV GREETS POLAND'S JABLONSKI ON 70TH BIRTHDAY

AU311357 Sofia RABOTNICHESKO DELO in Bulgarian 27 Dec 79 pp 1, 6 AU

[Greetings message from Todor Zhivkov, BCP Central Committee first secretary and State Council chairman, to Henryk Jablonski, PZPR Central Committee Politburo member and chairman of the State Council of the People's Republic of Poland, on the occasion of his 70th birthday]

[Text] Dear Comrade Jablonski: On the occasion of your 70th birthday and of the awarding to you of the Georgi Dimitrov Order, the highest order of the People's Republic of Bulgaria, I send you most cordial greetings on behalf of the BCP Central Committee, the State Council of the People's Republic of Bulgaria, and on my own behalf.

We know you as a noted statesman and scientist who is devoting his strength and energy to the struggle of the Polish workers movement to build socialism in People's Poland, to develop friendship and cooperation between the Bulgarian and Polish communists and between our two fraternal peoples, and to strengthen the unity and cohesion of the socialist countries.

On your 70th birthday, I once again congratulate you on being awarded our highest order. From the bottom of my heart I wish you, dear Comrade Jablonski, good health, personal happiness and new successes in your highly responsible activity.

FINANCE MINISTER BELCHEV REPORTS ON 1980 DRAFT BUDGET

AU261930 Sofia RABOTNICHESKO DELO in Bulgarian 19 Dec 79 p 3 AU

[Report on Bulgaria's 1980 draft budget given by Belcho Belchev, minister of finance, at 12th Session of the 7th National Assembly in Sofia on 18 December]

[Text] Comrades, people's representatives, the 1980 draft budget of the People's Republic of Bulgaria as presented for approval to the National Assembly by the government is the budget for the last year of the Seventh 5-Year Plan. It is based on the achievements in the economic development and the socialist way of life during the past 4 years of the 5-year plan and corresponds with the tasks of its successful completion.

After the 11th BCP Congress our party performed great creative and practical work in order to create the political, ideological and economic preconditions for implementing the strategic slogan of the 5-year plan on decisively increasing the quality and effectiveness of labor in all areas of our social life.

The BCP national conference and many plenums of the BCP Central Committee adopted important decisions based on the theoretical postulates, guiding principles and tenets worked out by Comrade Todor Zhivkov. Their essence consists mainly of comprehensively perfecting the socialist organization of labor, adopting a new planning attitude, gradually basing the management of the economy and other activities on an economical basis, and increasing the leva's organizational role.

Armed with these principle-minded Marxist-Leninist postulates the party and the people achieved significant successes in all areas of social development during the past period. Significant improvements of the country's financial balance and in the national economy's distributing and predistributing processes took place. Financial resources necessary for implementing the party's economic and social policy were created mainly by intensifying the national economy.

The consolidation of the requirements on the economical attitude in the managerial style and methods and working people's way of thinking will demonstrate its significance and increase its effect in the future. This allows us to mark and expect the successful implementation of even greater tasks during the coming year, also including the area of finances.

Making efforts for improving production's managerial organization, the party and government attribute great significance to the cost evaluation of the production factors and the organization of financial relations utilizing the commodity-financial categories according to their new contents under the conditions of socialism.

The economical approach in our economy's management is a by-product of the necessity of labor by creating preconditions for rapidly applying the most modern achievements of the contemporary scientific-technical revolution.

New and concrete measures were recently taken in this aspect.

The November 1979 decree of the BCP Central Committee and the Council of Ministers on increasing the wages and other incomes of the working people by adjusting the retail and wholesale prices to the objective conditions of developing the economy and increasing its effectiveness had a basic significance in this direction.

New methods of forming and distributing the revenues of the economic organizations at all levels of the material production were introduced. This was done in order to consolidate production management on an economic basis.

These decisions are causing a significant impact on the approach toward composing the state budget. The main changes are in the forms of mutual relations with the people's economy.

The draft budget, as presented for approval, has the following figures: 13,187,000,000 leva in revenues, and 13,167,000,000 leva in expenditures--revenues exceed expenditures by 20 million leva.

The basic proportions in the structure of revenues and expenditures, characteristic of the socialist budget, are not only preserved, but even improved.

The major share--almost 91 percent of all revenues--will come from the economic and other socialist organizations' profit accounts, turnover taxes, state insurance contributions, and so forth.

The main element of the state expenditures is the increase of the social-cultural enterprises, which account for 40 percent of the total state budget's general expenditure.

Revenues

The basic revenues of the state budget are the profits and the turnover tax.

For 1980 it is envisaged that 2,950,000,000 leva will come from the profits of the economic organizations as a normative payment for regulating the general income according to the active rules on forming and distributing the general income. These normative payments allow the better application of the principle of single-direction in the interests of the separate collectives and the society. A large share of the profits remains in the economic organizations and will be utilized by them for the needs of expanding their production. The more effectively an economic organization conducts its activity, the larger its opportunities for increasing its revenue and rapidly introducing the achievements of scientific and technological progress. Part of that effectiveness will be felt by the entire society. The society will also suffer losses for the set tasks that go unfulfilled. Economic organizations that do not fulfill their tasks will suffer heavy sanctions. Achieving the social labor production tasks, as envisaged by the plan, holds a decisive significance. The economic organizations will have to achieve the envisaged effectiveness if they want to have the necessary funds for paying labor's wages. This qualitative new aspect in distributing revenues requires a new attitude toward the problems of effectiveness, quality, and accelerating the implementation of all factors connected with increasing profitability.

The budget's revenues from the other basic form of socialist accumulation, the turnover tax, is expected to total 3,656,000,000 leva.

We have created and expanded our economy's objective possibilities for developing production and for producing consumer goods for the domestic market. The latter is the main source of the turnover tax revenues.

In 1980 the production of consumer goods for the domestic market will have a special significance. The decisions of the BCP Central Committee and the Council of Ministers of November 1979 increased the personal income of all Bulgarian citizens in all forms--wages, pensions, stipends, children's allowances, social benefits and so forth--by about 1.5 billion leva.

It is therefore necessary to coordinate the production plans with the increased search for consumer goods, and to adopt plans that are flexible to this need. The production of consumer goods must correspond with the needs and taste of different categories of consumers. It is necessary to have goods for all age groups and all income levels. I must point out that the implementation of this task has an exceptional significance for forming one of the most important cost-proportions of our socialist society--the marketable funds and financial revenues.

In previous practice, there were some cases of underestimating the importance of revealing reserves to make maximum use of the production capacities. The possibilities of some heavy industry plants producing consumer goods along with their basic production have not been sufficiently utilized. Many economic organization-producers are not fully implementing their contracted obligations and are not supplying the sought after sorts and qualities of goods on time. In 1980 the dynamically changing structure of the consumer market should be consistently studied and rapid measures for better satisfying the population's needs should be taken. Commodity reserves should be improved in order to avoid accumulation and waste of material goods. The relations of retail trade--and especially the larger stores--with the production plants must be expanded, and its influence on the production of goods sought by the population must be increased.

The revenues from the working people's social insurance will significantly increase in 1980. This is because the contributions from the wages' fund will increase from 20 to 30 percent. Thus it is possible to achieve a better evaluation of the real labor in production and to insure means of meeting the larger expenditures, in accordance with the decision on increasing the pensions, the family allowances and other benefits.

The budget revenues from taxes and other payments on the part of the population during 1980 will amount to 1,225,000,000 leva. This amount is 9 percent of the total revenue of the country's central financial fund. In comparison with recent years, the relative share of the revenue from the population will decrease. According to the decision of the BCP Central Committee and the Council of Ministers, the minimum wage of 100 leva is not taxable, and the tax on the other wages and salaries will decrease. This is an expression of the consistent policy on systematically decreasing the taxes on the labor wages.

Expenditures

The expenditures' part of the 1980 draft budget envisages 5,777,000,000 leva for financing the national economy and 5,265,000,000 leva for sociocultural enterprises. The total of these basic directions of expenditures covers almost 84 percent of all budget resources. This fact clearly characterizes the socialist budget as a financial basis for implementing the economic and social policy of the party and the state.

The means for financing the development of the national economy are allocated to capital investment and basic repairs, meeting some state expenditures related to purchasing the agricultural productinn, developing the communal economy and other economic activities related to the budget maintenance, and also to allocating temporary financial assistance to some economic organizations.

The economic organizations from the various branches of material production are working on cost accounting and financing the expanded reproduction with their own means and with bank loans. For this purpose they create specialized funds such as "expansion and technical perfection," "adopting new production," "everyday life and cultural measures" and others. Their own means are formed mainly from the profit, after deducting the normative payments for regulating the general revenue, the full amount of the amortized allocations for rebuilding and repair, and some other sources. [paragraph continues]

The central resources of the relevant economic ministries will be utilized for constructing separate major production capacities, as well as for the implementation of separate tasks related to introducing and adopting of the scientific-technical achievements.

Financial assistance is envisaged in the budget in some cases in which economic organizations do not receive sufficient revenues to allow normal development while they carry out production to which additional compulsory state tasks have been added. The main principle is that the allocation of budget means is being done on the basis of previously determined norms for incentives or additions to the prices of articles while taking into account only the quantities actually produced. Thus cost accounting requirements are preserved. In principle the normative additions to prices are temporary and will decrease during the next period. This approach represents a special kind of economic compulsion for gradually decreasing individual production expenditures and forcing them to comply with those that are socially necessary.

The new approach toward financing the budget's economic activity creates possibilities for an objective and differentiated attitude toward the separate factors. Wherever the country's interests impose production requirements under relatively bad conditions, the state will assist the development of production. As far as subjective weaknesses are concerned, a system is being adopted that requires decisive measures for overcoming them.

The draft-budget envisages the spending of 1,933,000,000 leva for capital investments with 1,412,000,000 leva being allocated to objects directly connected with the population's every-day life, living environment and services. This includes the construction of apartment buildings, the communal economy, the expansion, renewal and modernization of the material basis of health protection, education and science and culture, as well as capital investments for the protection and reproduction of the environment.

The budget expenditures for the construction of apartment buildings amount to 460 million leva. Together with other individual means and loans we will spend 983 million leva during 1980. This will insure the implementation of the plan for the construction of apartment buildings for the last year of the 5-year plan.

Some 521 million leva are allocated in the budget for capital investments in material production within the system of some ministries. This includes allocations for geological research work, road construction, water economy objects, and other investments of special importance for the country.

All other capital investments, which actually are the predominant part, will be financed by our own means and by bank loans, while applying new requirements corresponding to the principles of the economic approach. The consistent application of the economic approach in the area of investment activity means first of all that the economic organizations have to defend the right to utilize the capital investments on the basis of their economic purposefulness and effectiveness. The implementation of capital investments is being brought more directly to the future consumers of the newly created basic funds, while the financial obligations related to them are being addressed to the economic organizations' level. The economic stimuli and responsibilities of the economic organizations for effectively directing and utilizing means of an investment nature are being increased. Under the conditions of the new methods for forming and distributing revenues the economic organizations are interested in achieving higher effect through lower investments and a rapid return of their expenditures. This requires them to make a preliminary, precise technical-economic selection of future objects so as to focus their finances on a selected number of objects, to influence the timely and high-quality implementation of capital investments, and to effect the rapid and comprehensive introduction of the new basic funds and the timely attainment of the planned capacities.

The Bulgarian People's Bank will have an especially great role in relation to the capital investments' effectiveness.

Perfecting the investment process in all of its phases as well as turning the capital investments into a real vehicle of technical progress are a necessary precondition for increasing their effectiveness.

The decisions of the BCP Central Committee and the Council of Ministers on increasing the wages and other incomes of the working people and on changing the retail prices of some goods caused a significant influence on budget expenditures, especially expenditures related to the social consumption funds. This is related to the additional expenditures for increasing the wages of those employed by offices and establishments of education, culture and science, increasing stipends, pensions, family allowances and other benefits, increasing the expenditures for food in health, children's and other establishments, as well as other material expenditures.

The budget secures sufficient means for further developing the activities of the nonproduction area and reaching the planned targets of the party's social policy.

Five months ago the BCP Central Committee special plenum discussed and adopted the theses on developing education in the People's Republic of Bulgaria worked out by Comrade Todor Zhivkov. This programmatic document of the party reflects its long-range strategy in the area of education. It incorporates the basic principles and trends for reconstructing education. It is the theoretical, political and practical basis of the activity of the state and other organs for constructing a new type of school in Bulgaria and implementing a basic transformation in the social role of education. This is the lofty aim of the substantial means allocated by the state budget for supporting Bulgaria's education. These means will amount to 1,311,000,000 leva during 1980, of which 171 million leva are envisaged for higher education; 239 million leva for incomplete-higher and professional education; 438 million leva for general education schools, vocational-polytechnical, sport, sanitoria and special schools; 255 million leva for kindergartens; and so forth. The expenditures for stipends, food and the maintenance of student cafeterias have been increased significantly. More expenditures are being allocated for better supplying school workshops--especially at the 8th level. Means have been allocated for free textbooks. As you can see, the budget guarantees the improvement of conditions for the carrying on of the study process and increasing the care for the education and upbringing of children and youth. Now we shall satisfy the needs for developing education's material basis, paying the salaries of those engaged in education and maintaining the students to a better degree.

The main task now is to combine the requirements of the BCP Central Committee plenum for the higher effectiveness of the educational process and for the decisive reconstruction of the educational process with the goal of shortening the period of preparing specialists with high school and higher education and incorporating them into the production process, thus attaining higher production successes more quickly.

The care of the BCP and our socialist state for developing and expanding health activities in our country is also great. Expenditures for this purpose in 1980 will amount to 897 million leva, of which 468 million leva are envisaged for the maintenance of hospitals, 85 million leva for the maintenance of polyclinics, health services and sectors, 31 million leva for clinics and prophylactic care establishments, and 115 million leva for the maintenance of creches and homes for the care of mothers and children. Questions related to paying the wages of medical personnel have been solved. We have increased expenditures for supplying hospitals with medicines, with the view of utilizing the new achievements of modern medicine in healing the sick. [paragraph continues]

Along with the growing expenditures in this area we must achieve a more significant improvement of the balance concerning the working people's worktime not only by accelerating their recuperation but also through medical prophylactic and other preventive measures.

In recent years we have created better conditions for developing the activity of the creative intelligentsia. Arts have developed, as have the mass media and the various cultural-educational enterprises--museums, libraries, cultural clubs and amateur art performances. Some 239 million leva have been allocated for financing all cultural activity during 1980.

Some 135 million leva have been allocated for financing scientific research and development. Together with the individual means of the economic organizations and other fund sources, the total amount of expenditures for this purpose will reach 528 million leva. Since such a substantial amount is involved, our society expects a major contribution from scientists toward the intellectualization of labor, increasing the production effectiveness and significantly increasing the national income.

The added expenditures for activities in nonproduction area requires increased strictness toward their effectiveness. The organizations and enterprises in this area must satisfy the needs on the necessary social level but, at the same time, they must satisfy them in a way that will multiply the society's vigor. The results in this area will be of a socio-economic nature. Along with satisfying the needs, the invested forces and means must be returned to an increased degree through a rationalization of this area's management. Determining the effect and the factors which influence it is, of course, very difficult and cannot be subjected to the methods utilized in material production. Nevertheless, there already are preparations for transforming the organizations of these branches and areas on an economic basis.

The expenditures for social insurance and social assistance during 1980 will amount to 2,682,000,000 leva, with 1,810,000,000 leva--the largest share--allocated for payment of pensions, 235 million leva for financial compensation during periods of temporary inability to work, 594 million leva for family benefits, pregnancy and birth aid and children's upbringing. In addition to the natural growth, which mainly depends on demographic factors, these amounts include all the necessary additional means for paying increased pensions and assistance in accordance with the November 1979 decision of the BCP Central Committee and Council of Ministers.

The expenditures for maintaining management activities amount to 291 million leva. This amount is influenced by the constantly developing international relations with other countries, wage increases and the introduction of new territorial conurbation systems, which inspired the development of a new structure for the municipal authorities.

The draft-budget allocates the funds necessary for the country's defense and security.

Comrades, people's representatives, the total amount of the revenues and expenditures of the state budget also includes the budgets of the okrug and city people's councils and municipal authorities. In the draft budget they are summed up as autonomous okrug budgets and amount to 2,780,000,000 leva.

The main part of the expenditures for the people's councils is for financing social and cultural activities. The total amount for this purpose is 1,487,000,000 leva. A major share of the budget's investment expenditures--753 million leva--has been allocated to the people's councils. Their budgets include all funds for developing the communal economy and urbanization. [paragraph continues]

These amount to the substantial sum of 636 million leva, 304 million leva of which are allocated to capital investments. These funds, if purposefully distributed and effectively used, will substantially contribute to the further comprehensive development of the conurbation systems and the improvement of the environment and of the services to the population.

It is necessary to make greater efforts to overcome the discrepancy between the population's increased needs for services in their everyday life and the possibilities of the national economy for their better satisfaction. The people's councils are to solve this problem according to local conditions by expanding and perfecting the structure of the everyday life services and increasing the number of people working in this area, including professional craftsmen--both retired and active.

The possibilities for expanding the activity of local industry plants with the view to increasing and diversifying consumer goods are great. This is relevant not only for enriching the market, but also for increasing the people's councils' financial resources. A large part of the budget revenues of people's councils and municipal authorities comprises payments by their own enterprises, local taxes and other long-term sources. They also receive a normative-determined part of the tax on the general income from wages and salaries. In addition, the budgets of the people's councils and municipal authorities will include significant funds allocated from the general revenue of economic organizations and departments for developing the territorial units as well as from allowances from revenues transferred to the budget by local branches of central enterprises. The linkage of the budgets of the people's councils and municipal authorities with the financial resources earned on their territory will increase their interest and responsibility for effectively developing their entire economy as well as their financial independence.

Comrades, people's representatives, the 1980 draft budget, which has been distributed among you, also includes amounts related to the implementation of the 1978 budget. I will only point out that the total amount of the revenues reached 10,597,000,000 leva and the total amount of expenditures 10,458,000,000 leva. In comparison with the amounts approved by the National Assembly, the revenues were surpassed by 3.1 percent and the expenditures by 2 percent. The republican budget was implemented, with revenues surpassing expenditures by 17.6 million leva. The budgets of the people's councils and the organizations for social insurance also were implemented with surpluses.

These results were achieved despite the difficulties caused by the unfavorable climatic conditions for several years. Thanks to the efforts of the party, state and economic organs, as well as the entire working people, the basic tasks were implemented and the necessary financial resources were secured. A strict regime of economies was established and the value of expenditures of a nonproductive character decreased by 122 million leva.

It seems that the 1979 budget will be implemented in a volume close to that approved by the National Assembly, although there are certain deviations in the separate elements of revenues and expenditures that mutually compensate for each other. During the year we had to correct the revenues plan of certain basic ministries. We expect that some ministries will not reach the originally envisaged amounts of turnover tax. By governmental decision the planned budget expenditures of some enterprises were reduced as were the material expenditures for the maintenance of certain economic ministries and organizations, with the view to securing means for meeting the damages inflicted by torrential rains, hail, landslides, the disaster on the shore of the Black Sea and so forth. Simultaneously, we had some additional expenditures for some social enterprises. Thus, in connection with the International Children's Year free medicines were insured for pregnant women and for children up to 3 years of age.

Comrades, people's representatives, the 1980 draft budget has been worked out in full accordance with the BCP's most recent decisions aimed at perfecting the mechanism of the national economy management and increasing the role of the effective methods of administration.

The expenditures for financing the national economy and social consumption funds are coordinated with the financial resources' needs springing from the 1980 socioeconomic development plan. The allocation of these means on the part of the state is necessary to insure the development envisaged for the last year of the Seventh 5-Year Plan, which in its turn will establish the solid foundation for constructing the next 5-year plan.

On the other hand, the basic sources of the budget will be fully utilized only through the strict observance of the party requirements for high effectiveness in all branches and economic organizations. The entire engineering-economic and financial activity of the leaders, specialists and the entire and financial activity of the leaders, specialists and the entire collectives of the economic organizations must be in accord with the decisions of the BCP National Conference on introducing an exemplary socialist organization of labor. The great rights and possibilities for reallocating production and financial resources allotted to economic organizations also determine their great responsibility and obligations to society and the state budget. The fact that the size of the labor wages fund depends on the results while the contributions to the budget are fixed, provided that revenues have actually been received, imposes the observance of strict technological and working discipline for better utilizing the basic production funds, raw materials, materials, fuels, energy and actual labor. The question of production quality obtains an even greater significance.

The task of precisely observing the normative acts of economy management and strengthening cost accounting is of special significance.

The responsibility of state and departmental financial control increases. The controlling financial organs must better coordinate their activity within the framework of the national control system. Along with uncovering and prosecuting those guilty of harming and violating socialist property, the basic trend of the controlling activities must be the prevention of mistakes and violations of discipline and law.

It is necessary that all social management organs, from top to bottom, make efforts to effectively guide economic activity and smoothly activate existing mechanisms according to the economic approach.

Esteemed comrades, people's representatives, on behalf of the government please approve the 1980 draft budget of the People's Republic of Bulgaria.

LEADERS RECEIVE GREETINGS FROM PLOVDIV OKRUG YOUTH

AU011436 Sofia Domestic Service in Bulgarian 1030 GMT 1 Jan 80 AU

[Excerpt] On 1 January Plovdiv Okrug Pioneers and Chavdar members came to the Boyana residence to wish a happy New Year to Comrades Todor Zhivkov, Aleksandur Lilov, Grisha Filipov, Ivan Mikhaylov, Lyudmila Zhivkova, Ognyan Doynov, Peko Takov, Pencho Kubadinski, Petur Mladenov, Petur Tanchev, Stanko Todorov, Todor Bozhinov, Tsola Dragoycheva, Andrey Lukanov, Georgi Yordanov, Drazha Vulcheva, Krustyu Trichkov, Stoyan Karadzhov, Dimitur Stanishev, Petur Dyulgerov, Stoyan Mikhaylov, Mildo Salev, Misho Michev, Vladimir Bonev and Nacho Papazov. Georgi Dzhagarov and Mitko Grigorov, deputy chairmen of the State Council, also attended.

In addition, Vladimir Kirillin, deputy chairman of the USSR Council of Ministers and chairman of the USSR State Committee on Science and Technology, and Nikita Tolubeyev, USSR ambassador to Bulgaria, attended the celebration.

ECONOMIC SANCTIONS CLAUSE CAUSES FOUR TO ABSTAIN FROM UN VOTE

LD011136 Prague Domestic Service in Czech and Slovak 1000 GMT 1 Jan 80 LD

[Text] The UN Security Council approved yesterday with 11 votes in favor and 4 abstentions the resolution on Iran proposed by America. The resolution sets 7 January as the deadline for the release of the American hostages. If the demands of the resolution are not met by that time, the council is to adopt economic sanctions against Iran. Because of this paragraph on economic sanctions Czechoslovakia, the Soviet Union, Kuwait and Bangladesh abstained from voting.

U.S. AIDS PAKISTAN, TRAINS AFGHAN REBELS

LD011048 Prague Domestic Service in Czech and Slovak 1000 GMT 1 Jan 80 LD

[Text] The White House has approved expeditious military aid to Pakistan worth a total of $100 million. According to the Washington STAR, armored vehicles, artillery, antitank missiles and ammunition will be supplied to Pakistan.

Brzezinski, the President's national security adviser, has made it clear that the U.S. government is revising its policy on supplies of arms to Pakistan and that it intends to cancel previous restrictions on such supplies.

Observers stress that Pakistan has become a base from which the United States is carrying out subversive activity against Afghanistan. In Peshawar and other Pakistani towns, centers have been set up for the training of Afghan counterrevolutionaries. Their instructors are Americans of Afghan origin.

Operations of counterrevolutionary gangs are controlled from Pakistan, and these gangs are supplied in Pakistan with arms and ammunition of American and Chinese manufacture.

AFGHAN GOVERNMENT DENOUNCES IMPERIALIST 'SLANDER'

LD011938 Prague Domestic Service in Czech 1730 GMT 1 Jan 80 LD

[Text] The Afghan Government has denounced the slanderous campaign stirred up recently by the imperialist, colonialist and reactionary forces against the noble and heroic Afghan people and the Afghan Government. The government's statement emphasized that these forces chose as a pretext the urgent plea of the Afghan Government to the Soviet Union for immediate political, moral and economic aid, including military aid.

The Afghan Government has stated again most emphatically that this plea was necessitated by the increasing armed attacks and provocations by the external enemies of the Afghan people. The Afghan Government noted in the statement that it is not fortuitous that the anti-Afghan campaign is headed by the United States, which has assumed a hostile attitude toward the April revolution from the very beginning and is now trying to divert the attention of the world public from its aggressive actions against Iran.

In conclusion the Afghan government stressed that it considers the anti-Afghan campaign to be intereference in the country's internal affairs. It noted that insuring the sovereignty and independence of Afghanistan is necessary for normal fraternal relations with all neighboring countries and for the strengthening of peace in this part of the world.

HUSAK SENDS BIRTHDAY GREETINGS TO JABLONSKI

LD261900 Prague CTK in English 1738 GMT 26 Dec 79 LD

[Text] Prague--Gustav Husak, Communist Party Central Committee general secretary and Czechoslovak president, sent on Wednesday a letter of congratulations to Henryk Jablonski, chairman of the Polish State Council, on his 70th birthday.

In his letter, he said the people of Socialist Czechoslovakia highly appreciate Jablonski's lifelong [word indistinct] and creative work in high party and state functions, by which he contributed to the free and socialist development of the Polish People's Republic.

Gustav Husak also appreciated Henryk Jablonski's personal contribution to the expanding and deepening of all-round ties of friendship and cooperation between the two fraternal parties and countries, to the benefit of their peoples, the unity of the countries of the socialist community, and the cause of world peace and progress.

INDRA RECEIVES BRAZILIAN, JAPANESE ENVOYS

LD282340 Prague Domestic Service in Czech and Slovak 1400 GMT 28 Dec 79 LD

[Text] Alois Indra, chairman of the Federal Assembly, received Manuel Antonio De Pimentel Brandao, the extraordinary and plenipotentiary ambassador of the Federal Republic of Brazil in Czechoslovakia, in Prague today. The interview was on the occasion of the latter's taking up his duties.

Alois Indra also received Fumihiko Suzuki, the Japanese ambassador, who is ending his diplomatic mission to Czechoslovakia.

NEW ARMY UNIFORMS TO BE INTRODUCED

AU311223 Bratislava SMENA in Slovak 29 Dec 79 pp 1, 2 AU

[Rudolf Brziak article: "Soldiers in New Garb"]

[Excerpt] With the passing of time, homogeneity and practicality, in harmony with the trends of fashion, began increasingly to assert themselves regarding army clothing.

These three attributes are also dominant in clothing our people's army. Moreover, in combat training it is still valid that what was sifficient yesterday and is sufficient today will not suffice tomorrow, and in keeping with this the demands on material outfitting are rising. One of the specific manifestations of this is also the fact that as of 1 January 1980, the Czechoslovak People's Army will start carrying out certain changes in outfitting its members: The soldiers, officers and generals will be clothed in new uniforms. True, certain traditional elements of the uniform will remain--the changes particularly will be related to membership in the Czechoslovak People's Army and the inevitable differentiation between the different kinds of services and ranks.

The current dress uniform of soldiers doing their basic service is fully acceptable. The same applies to dress coats. Forage caps and berets do not comply with certain requirements; that is why round caps with visors will become part of the dress uniform. Up to now the soldiers have worn their own white shirts when going out; under the new regulations a white shirt will be issued them as part of the basic outfit.

Officers and junior officers will have colored piping on their trousers and caps: Red for the ground forces and blue for the air force. The emblems on caps will be more vividly emphasized and different badges, according to the different kinds of services, will be attached to the collars.

The generals' uniforms will have colored stripes and the trousers will have piping of the same colors as the officers' uniforms. The linden sprigs on the collars will be embroidered. The color edgings, the linden-sprig embroidery and the vividly emphasized badges will also figure on the caps. Our army members will present themselves for the first time in their new uniforms during the May Day parades in Prague and Bratislava in honor of the 35th anniversary of the liberation of our fatherland by the Soviet Army.

BANK OFFICIAL NOTES 'ILL-CONSIDERED' CONSUMER SPENDING

AU272155 Prague RUDE PRAVO in Czech 20 Dec 79 p 2 AU

[Article by Frantisek Pazdera, general director of the Czech State Savings Bank: "To Save or To Borrow Money?"]

[Excerpt] Money is the result of work that creates utility values. If the work is good and executed in good quality, the quality of the earned money is also good. He who earns his money with honest, conscientious work has respect for it and does not spend it carelessly, without consideration. He also knows how long he has to save to be able to buy something expensive.

We deplore it, therefore, when we sometimes see that some of our citizens--although they themselves are helping, with their work, to create our present very good standard of living and even though they are living in peace and their material and cultural needs are satisfied--succumb to silly rumors and believe unfounded fabrications and, as a consequence, spend their earnings and their savings in an ill-considered way.

It is necessary to differentiate between shopping and spending money at any price. The fact that we live in abundance does not mean that we can afford to waste--that applies to merchandise, to foodstuffs and also to money.

RUMORS ON CURTAILED WITHDRAWAL FROM BANK ACCOUNTS REFUTED

AU272202 Prague MLADA FRONTA in Czech 20 Dec 79 p 2 AU

[Jaroslav Hejkal article in the column "Our Note": "An Answer Without a Comment"]

[Text] Yesterday an anonymous voice on the telephone said confidentially: "Do you know that you are no longer allowed to withdraw more than Kcs500 from your accounts at savings banks?" The voice also expressed, of course, a few jibes at the journalists who allegedly lack the courage to write about it publicly in the newspapers.

I picked up the telephone and dialed the number of the general director of the Czech State Savings Bank. Eng Frantisek Pazdera told me: "Before Christmas our citizens have traditionally withdrawn more money from savings banks than they deposit. [paragraph continues]

"That is the case this year, too. It is true, however, that in some places of the republic the withdrawals from savings accounts have reached a somewhat larger extent than we anticipated. Some people have obviously succumbed to various nonsensical rumors and do not act as good managers. This is to their own detriment because by uselessly withdrawing money from the bank they are depriving themselves of interest and by spending money in an ill-considered way on merchandise they do not need they are depriving themselves of the possibility to spend their savings expediently and purposefully. It is not true, however, that in some places we limit in one way or another the withdrawals from savings accounts."

This is the reply of someone who is most competent to answer. His words do not require comment. They prompted us, however, to feel sorry for those who give more credit to rumors than to their own eyes.

WAGE SYSTEM NEEDS IMPROVEMENT ON BASIS OF QUALITY OF WORK

AU311210 Prague RUDE PRAVO in Czech 28 Dec 79 p 1 AU

[Editorial: "According to Merit"]

[Excerpts] Determining just remuneration is, without a doubt, a complicated and difficult business. Difficulties arise mostly from purely subjective causes--from the dearth of the ranking personnel's responsibility for the implementation of wage policy in accordance with the existing directives, from false friendship and conciliatory attitudes toward shortcomings at the workplace, from the lack of discipline in enterprises and organizations and from the indolence of economic personnel who want to be left in peace rather than to persuade someone that he works sloppily. But such attitudes--and rightly so--make honest people indignant when they see that poor, superficial and sloppily done work is remunerated almost as good as their own work.

People who want to, and do, get ahead, deserve more differentiated wages and remuneration which would, first, properly appreciate their contribution, and, second, encourage them to further develop their abilities and enhance their example in the eyes of others and make them follow it. This is highly logical and just. Our socialist society must and will appreciate good and excellent work in this manner.

Wage policy is an important factor of the struggle for the fulfillment of the next year's plan as well as of the next 5-year plan and of all our future plans. The objection that the principles of remuneration should therefore be worked out in greater detail could be justified, provided this would not be used to excuse the nonutilization of all currently existing possibilities. Pointing out, as such, what should be improved on these or those instruments certainly does no harm; however, many things would considerably improve if all valid rules were consistently observed. As long as all given possibilities are not completely exhausted, and sometimes even by far not exhausted, as long as there are valid resolutions which are not being implemented and as long as there are directives and instructions which are ignored, what sense is there in calling for further and further ones? Is this not just using alibis for excusing incompetence and the unwillingness to implement to the utmost the tasks laid down?

Order and discipline need no investments. These values are moral-political values. Therefore a just implementation of the remuneration system is an organizational question, a moral-political matter of justice as well as a question of the ranking economic personnel's courage--beginning with foreman and ending with minister.

People will understand that the standard of living and social security can be consolidated only on the basis of an adequate creation of resources. Therefore, all those who contribute to such creation of resources must be--and rightly so--better remunerated. Without proper differentiation--if one were to be paid the same for good or sloppy work--honest work would become depreciated.

Next year, inevitably, will see a more consistent implementation of the socialist principle of remuneration according to the quantity, quality, social contribution and importance of every type of work. He who wants to get ahead and proves it by his deeds must be remunerated accordingly.

PLANT DIRECTOR NOTES WEAK SPOTS IN ECONOMIC EXPERIMENT

AU202225 [Editorial Report AU] Prague PRACE in Czech on 19 December on page 4 carries a 1,200-word article by Bedrich Pala, director of the Mitas enterprise in Prague, entitled "In the Interests of Society and the Enterprise," which deals with the "experiences" acquired by the Mitas plant--part of the Czech rubber and plastics plants economic production unit--in implementing the current "economic experiment" designed to raise the effectiveness and quality of production. After having reviewed the experiment's positive impact on the economy of his enterprise--stressing in particular the improvement in intra-enterprise planning and the savings achieved in the consumption of materials--Pala points to some problems connected with the experiment: "In the relatively short period that the experiment has been in effect, its important aims have been, deplorably, violated by the economic production unit with respect to the enterprise. Even though it is the economic production unit that is the subject of the experiment and it undoubtedly has the right to assert its policy, the experiment's principles should also apply--in a suitable manner--to the production enterprises.

"It is, above all, the purpose of the long-term nature of the plan that has been violated. The original intention of the experiment--to draw up and adhere to the 3-year plan in accordance with the detailed tasks of the Sixth 5-Year Plan--is being replaced by binding annual plans. In the case of our enterprise the tasks of the annual plans are being regularly increased, on the basis of the already condemned principle that he who has fulfilled the tasks of the preceding 5-year plan is usually assigned higher tasks while the tasks of those who have not fulfilled them are being reduced. The economic production unit as a whole thus fulfills the production tasks but some enterprises must do much more while other enterprises fail to master their tasks. That means--in its consequences--that the stipulated assortment of products is not adhered to and our society's needs are thus not satisfied. Plastic or molded rubber goods cannot be, of course, replaced by tires for trucks.

"The principle of counterproposal planning has been equally discredited because the preferential treatment of enterprises that assumed in their plan higher tasks than those set by the detailed directive has been abolished. That will again result in the fact that the enterprises--forced to do so by the economic conditions--will not uncover reserves and will try to reduce as much as possible the demands of the superior organs, especially as regards the quality indexes.

"In their consequences those measures again disturb the harmony between the interests of the enterprise and the all-social interests and thus essentially confirm what the experiment was designed to subdue in the sphere of economic planning."

HUSAK, ENGINEERING INDUSTRY MINISTERS DISCUSS PRODUCTION

LD290625 Prague Domestic Service in Czech 1730 GMT 28 Dec 79 LD

[Text] Gustav Husak, general secretary of the CPCZ Central Committee and president of the republic, received in Prague Castle today a delegation of the representatives of the metallurgical, engineering and electrical and electronics industries. It consisted of leading officials and heroes of socialist labor from these branches. The reception was attended by Lubomir Strougal, member of the Presidium of the CPCZ Central Committee and federal premier; Josef Haman, secretary of the CPCZ Central Committee; and Vaclav Bezel, deputy chairman of the Central Trade Union Council and chairman of the Czech Trade Union Council.

Pavol Bahyl, federal minister of general engineering, and Ladislav Gerle, federal minister of metallurgy and heavy industry, briefed Comrade Husak on how both branches secured the tasks of the state plan of the 4th year of the Sixth 5-Year Plan. They also informed him about measures they have adopted in the spirit of the conclusions of the 14th session of the CPCZ Central Committee to secure the demanding tasks of the plan for 1980. The branch of general engineering, as Minister Pavol Bahyl stated, made up for the shortfall in production incurred at the beginning of the current year and will fulfill this year's production plan. In comparison with the previous year, it will raise the volume of output by 7 percent. He pointed at the results of the individual sections of the branch and dealt also with the existing problems in the quality and technical level of products, in material-technical supplies, deliveries for the domestic market and for exports.

Minister Ladislav Gerle announced that the branch of metallurgy and heavy industry fulfilled by today the tasks of the state plan for production and that it will exceed them by the end of the year by roughly Kcs 500 million. All production-economic units fulfilled their plans. A high growth rate was achieved, for instance, in the production of equipment for nuclear power plansts as well as in some other sectors. Comrade Gerle stressed that next year the branch will concentrate its attention on a better fulfillment of tasks for capital production and for export.

Comrade Gustav Husak in his speech thanked all officials, workers, technicians, party, trade union and youth organizations who contributed to the fulfillment of basic tasks in the metallurgical and engineering industries in the difficult conditions of the current year. At the same time, he pointed at the necessity to raise next year the demand on the work of both branches and to overcome more consistently the existing problems and shortcomings. For Czechoslovakia, as an industrially advanced state depending on the import of raw and other types of materials, it is a necessity to markedly and rapidly raise demands on the quality of work and the effectiveness and technical level of products through which export we have to pay for the growing costs of imports. This demand applies twice as much to our engineering industry. As the most important pivotal branch of our industry, it must fulfill a key role in securing our exports, in raising the technical level of our economy and in meeting the ever-growing demands of the home market. The 14th session of the CPCZ Central Committee proceeded from these very experiences, Comrade Gustav Husak said.

The main sense of its conclusions lies, to put it briefly, in the demand to quicken, in the engineering branch as well as in other sectors of the national economy, the pace in pushing through the demands of effectiveness and quality of work.

The results we have achieved in the past period are not insignificant and testify to the overall upward development trend of our economy. From the viewpoint of the requirements of our country, the meeting of requirements of our people, these results, however, neither correspond to our possibilities nor to the demands with which we have to come to grips in the current, evermore complicated conditions of the world economy.

Comrade Husak pointed out in this connection that we cannot be satisfied in particular with the rate of the scientific and technological development where, despite partial successes, we are failing to keep abreast in a desirable degree with the world at large. For this reason the 14th session of the CPCZ Central Committee voiced a categorical demand to achieve a marked improvement and to make a better use of both the forces and means at our disposal in this area.

Effective and flexible management and a high level of organizational work and planning activity at all tiers are of key importance for the successful securing of the aims of the party's economic policy, stressed Comrade Husak. We have to bring the party's militant spirit of energetic effort into the work of the management bodies and their apparatuses and aim at putting right the existing shortcomings and securing consistently the planned tasks. In every sector of activity it is necessary to push through in practice more effective methods of the management work, take care to insure a high level of the organization of production, a better interconnected structure of customer-supplier relations and to create all necessary conditions for productive work. The quicker we progress the better we shall be prepared to master the great tasks awaiting us in the eighties.

In the spirit of the conclusions of the 14th session of the CPCZ Central Committee, Comrade Gustav Husak went on to say, it will be necessary to consistently apply the demand of a high degree of responsibility of all officials, and in particular leading officials, for the fulfillment of tasks, for the improvement of the results in sections entrusted to them. Together with loyalty to the socialist order, the main criterion when assessing cadres must be the practical results of their work. Leading officials who actively face up to obstacles and difficulties, push through demanding aims progressive technological and economic solutions, order, disciplines and quality of production must have the full support of both the party and trade union bodies and organizations.

An essential prerequisite for successful progress is for us to intensify political-educational work. We have to draw more than ever before the large army of qualified and experienced workers, qualified engineers, organizers of production and economists, people who know their trade and are capable of working well into the daily struggle for the fulfillment of the tasks of the final year of the Sixth 5-Year Plan.

At the close Comrade Husak wished the comrades present many successes in their responsible work in securing the further development of our engineering, in the interest of safeguarding the needs of our country.

In a frank and cordial discussion, the participants in the meeting talked about the results achieved and about both problems and shortcomings. They discussed measures being adopted by the management of production-economic units and enterprises as well as by party organizations for the elaboration and realization of the conclusions of the 14th session of the CPCZ Central Committee. They paid a particular attention to the questions of research, the progress of innovation, the introduction of new products, the situation in the supplier-customer relations and the raising of material incentives dependent on the quality of work.

Rudolf Rychetsky, general manager of CKD Prague, talked about the level of management work and about the necessity of devoting greater care to the incoming young generation of workers.

(Zdenek Hyl), hero of socialist labor, talked about measures aimed at increasing the quality and technical level of products in the Klement Gottwald Vitkovice iron and engineering works in Ostrava.

Josef Skarohlid, general manager of Aero, the Czechoslovak aircraft enterprises, announced that the aircraft industry had fulfilled the plan for production by 17 December and that by the end of the current year it will produce goods worth another Kcs 190 million.

Jan Sulak, hero of socialist labor, talked about the resolve of the workers of the heavy engineering works in Martin to fulfill the tasks of the coming year.

Josef Zaruba, chairman of the Metal Workers' Trade Union, dealt with the tasks of trade union organizations in the development of workers' initiatives.

(Vladimir Janicky), general manager of the production-economic unit Metallurgical By-products, spoke about experiences from the application of the experiment of the comprehensive management of production as to its quality and effectiveness and the need to have a differentiated approach to the tackling of the development of production and technology.

At the close of the discussion, Milan Kubat, federal minister of electrical industry, thanked for the attention the CPCZ Central Committee and federal government are paying to the development of the metallurgical, engineering and electrical industries. He assured Comrade Gustav Husak that workers of these important branches will do their utmost to fulfill the tasks of the last year of the Sixth 5-Year Plan.

SLOVAK FINANCE MINISTER DISCUSSES 1980 BUDGET CHANGES

AU280940 Bratislava PRAVDA in Slovak 20 Dec 79 p 1, 2 AU

[Jaroslav Aeska report: "The Slovak National Council Has Approved the Budget for 1980: 50 Percent of the Budget for Expenditures on Social Consumption; Consistently Materialize Economizing Measures; the Number of Prosecuted and Sentenced in the Slovak Socialist Republic (SSR) Is Decreasing; Measures for Greater Safety in Road Traffic"; passages between slantlines published in boldface]

[Excerpts] The Draft State Budget

After the session's working agenda was approved, the Slovak National Council began discussing the first item on the agenda--the government draft of the Slovak National Council law on the SSR's state budget for 1980. In the name of the SSR Government the negotiations were opened by SSR Minister of Finance F. Miseje. "The insurance of tasks in the preceding years of the Sixth 5-Year plan was marked by several phenomena, which have caused a slightly lower dynamics of the overall economic growth than set by the plan," minister Miseje said. "An unfavorable influence is exerted particularly by the consequences of the price development on the world markets and by unfavorable weather conditions, especially in agriculture. [paragraph continues]

"BUT IT MUST BE FRANKLY STATED THAT, SIDE BY SIDE WITH THE REGISTERED OBJECTIVE INFLUENCES, THERE ALSO CONTINUE TO OCCUR SHORTCOMINGS OF A PREDOMINANTLY SUBJECTIVE CHARACTER. We note a greater use of human labor, which disrupts the correlation between the growth of labor productivity and the average wages and we note shortcomings in the organization and management of production, in practical utilization of the results of scientific-technical progress, in reducing the number of uncompleted building projects and in the timely commissioning of production facilities under construction. The development of reserves is unsatisfactory and we are not sufficiently succeeding in materializing long-term plans to make production more economical. Existing standards for material and power consumption in our production continue to be inordinately high compared with other developed industrial economies," Minister Miseje stated. "We attribute particular significance to economizing power resources and the consumption of fuel and oil. MOST ORGANIZATIONS HAVE APPROACHED ECONOMIZING MEASURES RESPONSIBLY. BUT THE OVERALL RESULTS ACHIEVED DO NOT CORRESPOND TO OUR ABILITIES BECAUSE ECONOMIZING MEASURES ARE NOT BEING CARRIED OUT EVERYWHERE WITH THE NECESSARY EMPHASIS." According to the development up to now we expect the organizations managed by the SSR's central bodies to underfulfill the profit plan for this year by Kcs500 million.

THE PROGRAM OF THE SSR'S ECONOMIC AND SOCIAL DEVELOPMENT IN 1980 COUNTS ON A 4.7 PERCENT INCREASE IN THE CREATION OF THE SOCIAL PRODUCT; THE VOLUME OF INDUSTRIAL PRODUCTION IS TO INCREASE 5.2 PERCENT AND THAT OF AGRICULTURAL PRODUCTION 8.4 PERCENT. THUS IT IS A MATTER OF CONTINUING DYNAMIC DEVELOPMENT. THE OUTPUTS OF ECONOMIC ORGANIZATIONS, CENTRALLY MANAGED BY THE SSR GOVERNMENT, ARE EXPECTED TO AMOUNT TO KCS 166 BILLION, WITH A 4 PERCENT INCREASE IN THE COURSE OF THE YEAR. MATERIAL DEMANDS ARE TO DECREASE 0.78 PERCENT. THE PARAMETERS OF THE REPRODUCTION PROCESS SHOULD RESULT IN AN 8.2 PERCENT PROFIT INCREASE IN THE COURSE OF THE YEAR.

The volume of investments in the SSR's economy is to increase 5.5 percent; it is to be oriented particularly to concluding the building projects under construction; the sum total of budget means for capital construction amounts to more than Kcs 35 billion. Scientific-technical development is to receive Kcs 1.5 billion from the state budget and Kcs 1.3 billion from the enterprises' own resources which should be reflected more favorably than in the past in the national economy results. NONINVESTMENT EXPENDITURES FOR CULTURAL AND SOCIAL MEASURES WILL AMOUNT TO KCS 39.2 BILLION IN THE STATE BUDGET AND THE BUDGETS OF NATIONAL COMMITTEES WHICH IS 50 PERCENT OF THE OVERALL VOLUME OF BUDGET EXPENDITURES AND 3.8 PERCENT MORE THAN IN THE YEAR DRAWING TO AN END. PER CAPITA, EVERY CITIZEN WILL RECEIVE KCS 7,848 FROM THE SPHERE OF SOCIAL CONSUMPTION, THAT IS KCS 203 MORE THAN IN 1979.

Savings Measures

"Similarly to the Government of the Czech Socialist Republic, the SSR Government has decided in its resolution on the draft state budget," Comrade Miseje stressed, "on measures for enhancing thriftiness in all organizations, especially regarding unproductive expenditures. THIS CONCERNS THE REDUCTION OF OVERALL TRAVEL EXPENDITURES, AIMED AT LIMITING INEXPEDIENT TOURS OF DUTY, CONFERENCES AND AKTIV MEETINGS, WHICH PRODUCE NO RESULTS. THE EXPENDITURES FOR PUBLICITY, HOSPITALITY AND PRESENTS ARE REDUCED. THAT IS SIGNIFICANT NOT ONLY FROM THE VIEWPOINT OF FINANCIAL EFFECT, BUT ALSO CREATES AN ATMOSPHERE OF THRIFTINESS. CUTS WILL ALSO AFFECT PERSONAL EXPENDITURES CONNECTED WITH ASSIGNING VARIOUS WORK TO WORKERS WITHOUT AN EMPLOYEE STATUS. HIGHER THRIFTINESS IS ALSO TO BE INSURED IN THE USE OF OFFICIAL MOTORIZED VEHICLES, THROUGH A REDUCTION OF THEIR NUMBER AND A STRICTER REGIME OF THEIR USE. FURTHERMORE, THAT APPLIES TO CUTS IN THE ADMINISTRATIVE APPARATUS IN CENTRAL BODIES AND NATIONAL COMMITTEES, IN THE SCIENTIFIC-RESEARCH BASE, AND THE PRODUCTION AND NONPRODUCTION ORGANIZATIONS."

FURTHER REPORTAGE ON AFGHAN SITUATION

Coup, Soviet Aid Necessary

AU3111155 East Berlin NEUES DEUTSCHLAND in German 29-30 Dec 79 p 2 AU

[M.I. commentary: "A New Stage in the Afghan Revolution--GDR Solidarity With Progressive Forces of Afghanistan"]

[Text] The revolution of the Afghan people which was initiated in April 1978 has entered a new stage. It is characterized by true people's power, which is consistently struggling for the final victory of the national-democratic, antifeudal and anti-imperialist revolution, for a free and independent Afghanistan against internal and external enemies. Babrak Karmal has been elected secretary general of the Democratic People's Party of Afghanistan and chairman of the Revolutionary Council. On Thursday [29 December] he directed an appeal to the people on behalf of the party's Central Committee, the Revolutionary Council and the Government of the Democratic Republic of Afghanistan. He announced the elimination of the bloody dynasty of Amin and his handymen, who had previously overthrown Nur Mohammad Taraki, the party's former secretary general and chairman of the Revolutionary Council, and that Amin and his men had been proved to be agents of American imperialism.

A situation was to be created in Afghanistan by various acts of aggression from abroad in collusion with internal counterrevolution, which amounted to the elimination of the achievements of the April revolution. Armed groups and weapons for counterrevolutionary gangs, whose activity is manipulated from abroad, were smuggled into Afghan territory. The serious interference in Afghanistan's internal affairs is still continuing. Its extent is broadening. The unambiguous aim of this interference is to topple the democratic and progressive social order which was established in Afghanistan following the April revolution.

The people of Afghanistan and their armed forces have been warding off for some time the armed interference by imperialist and reactionary forces. The dangers threatening the people continued to increase, however, mainly because of the terror by Amin, who subsequently was executed following sentencing by a revolutionary court, and of a small group which supported him. This group had eliminated Comrade Taraki, the leader of the Afghan revolution, in a cruel and traitorous way and exposed thousands of communists to mass reprisals, among them representatives of the Parcham and Khalq groups who are truly devoted to revolutionary ideals and the cause of proletarian internationalism. Thus all the achievements of the April revolution were threatened with elimination by the aggression from abroad and the terror of the internal reactionary clique. At present the truly revolutionary forces of Afghanistan are undertaking the necessary steps to maintain the achievements of the April revolution and protect the country's independence.

In order to fend off the growing interference by external enemies, the new Afghan Government has asked the Soviet Union for swift political, moral and economic aid, including military aid. In so doing, it proceeded from the goal of defending the achievements of the April revolution, the territorial integrity and national independence of Afghanistan, and the maintenance of peace and security and relied on the treaty on friendship, good neighborhood and cooperation with the Soviet Union of 5 December 1978.

Guided by its internationalist duty, the Soviet Union met this request. The Soviet Government decided to dispatch Soviet military units in limited strength to Afghanistan. These are to be withdrawn as soon as the reasons leading to this necessary action shall have disappeared. In this temporary action of military support for Afghanistan the Soviet Union is guided by the common interests of both countries--as laid down in the friendship treaty--as well as by the interest of preserving peace in the area. [paragraph continues]

The aid is also in conformity with the stipulation of Article 51 of the UN Charter which provides for the inalienable right of states to collective and individual self-defense in warding off aggression and restoring peace.

If certain circles now raise a huge hue and cry, they do this, as we know from experience, only because they have suffered a defeat and because the people have gained the upper hand. These forces of international reaction wail and raise trouble because their hopes--their hopes to turn back the wheel of history and win back a lost bastion for imperialism by massive interference in the internal affairs of the country--have been thwarted by the decisive steps for the safeguarding of the revolutionary achievements.

The GDR, which always advocates the consolidation of peace, non-interference in the internal affairs of states, independence of the peoples and protection of their democratic and progressive achievements, is firmly standing on the side of the Afghan people in this situation. The motives which have induced the Soviet Union to grant Afghanistan determined support in the current situation are very well understood by the GDR citizens. They resolutely condemn all attacks by the external imperialist reaction against the Afghan people's national independence, integrity, peace and revolutionary achievements. The people of Afghanistan can be sure of the solidarity of the people of the GDR.

Country Returning to Normalcy

LD311336 East Berlin ADN International Service in German 1242 GMT 31 Dec 79 LD

[By ADN special correspondent Gabi Althaus]

[Text] Kabul--Radio Kabul reported in detail on Sunday on the statement by the SED Central Committee Politburo and GDR Council of Ministers concerning the measures adopted by the country's new leaders to secure the democratic achievements and introduce a new stage of the revolution. Several times during the day's broadcasts the text of Erich Honecker's congratulatory telegram was read out as the lead item. The solidarity attitude of other socialist states is also being praised. In the days following the fall of the Amin clique, there has been joyous approval and warm gratitude on the part of Afghanistan's democratic public for the Soviet Union's aid and support.

The capital's workers welcome the government's resolute action as well as its stand for a free Afghanistan, secure against external and internal enemies. They heard the news of the fall of Amin and his henchmen with dancing and singing for joy.

For 3 days, life in Kabul has been taking its normal course. The bazaars are open and the inhabitants are working as usual. The usual stream of cars and buses is forcing its way through the narrow streets. Street traders are offering their wares and street sellers are pushing their barrows through wintery Kabul. Schools and enterprises are working normally and life on the streets is colorful, lively and as noisy as ever. Air traffic has resumed.

At an initial joint session of the Presidium of the Revolutionary Council and government, according to the Afghan news agency BAKHTAR, Babrak Karmal, general secretary of the People's Democratic Party of Afghanistan Central Committee, chairman of the Revolutionary Council and premier of the Democratic Republic of Afghanistan, led the deliberations on implementing the program which Karmal and submitted to the leading bodies.

The participants at the meeting decided on normalizing the work of the ministries for national defense and internal affairs, releasing political prisoners and returning unlawfully confiscated possessions. It was also decided to publish the newspaper HAQIQAT-E ENQELAB-E SAWR [the truth of the April revolution] as the official organ and the Kabul NEW TIMES English-language newspaper. It was further decided to hold celebrations to commemorate the 15th anniversary of the founding of the People's Democratic Party of Afghanistan on 1 January.

The Revolutionary Council and the government decided to form an extraordinary juridical commission to investigate the crimes of Amin and his henchmen. They declared illegal arrests and house searches and other actions contrary to human rights to be inadmissible.

Government Condemns Imperialist Interference

ID011436 East Berlin Voice of the GDR Domestic Service in German 1400 GMT 1 Jan 80 ID

[Excerpt] The Afghan Government has condemned the inflammatory campaign by imperialist circles against the new people's power as interference in the country's internal affairs. A statement transmitted by ADN says that the pretext was Afghanistan's request for assistance from the Soviet Union. It was no coincidence that the slanderers were led by the United States which has adopted a hostile attitude since the April revolution. Washington now wanted to divert the world public's attention from its aggressive actions against Iran. The government in Kabul stresses that no one can deny a sovereign country the right, laid down in the UN Charter, to self-defense and also to claim the support of other countries.

U.S. PREPARING FOR MILITARY INTERVENTION IN MIDEAST

AU311400 East Berlin NEUES DEUTSCHLAND in German 28 Dec 79 p 1 AU

[ADN dispatches from San Francisco and Baghdad under the heading: "Pentagon Preparing Troops for Intervention in the Middle East--Invasion Forces are Increasingly Getting Special Training"]

[Text] San Francisco/Baghdad, ADN--The Pentagon is preparing its armed forces for military actions in the Near and Middle East as well as in the area of the Persian Gulf. This is reported by the U.S. paper San Francisco EXAMINER. It says that "exercises are being conducted in areas that simulate conditions in areas of the Near and Middle East." Similarly, about 80,000 soldiers are receiving special annual training in California's Mojave Desert. The planned expansion of further training projects that will especially serve the readying for service of the 110,000-man "rapid deployment force," will cost $225 million.

Several U.S. warships are currently cruising in Arab territorial waters off the coast of Bahrain, the Iraqi Agency INA reported on Wednesday. These military operations are part of the U.S. plan to occupy the oilfields in this area with its intervention force, if need be. The artificially created American-Iranian crisis is merely an attempt to provide a pretext to the U.S. administration, INA says.

KAMPUCHEAN TRADE MINISTER ARRIVES IN BERLIN

LD293058 East Berlin ADN International Service in German 1613 GMT 29 Dec 79 ID

[Text] Berlin--An economic delegation of the Revolutionary People's Council of the People's Republic of Kampuchea led by Tang Saroem, minister of foreign and home trade, arrived in Berlin today and was welcomed by GDR Foreign Trade Minister Horst Soelle.

LEBANESE PRESIDENT RECEIVES AMBASSADOR REICHARDT

AU281503 East Berlin NEUES DEUTSCHLAND in German 27 Dec 79 p 2 AU

[Text] Beirut, ADN--Lebanese President Elias Sarkis received Achim Reichardt, GDR ambassador to the Republic of Lebanon, in Beirut on Monday for a friendly exchange of opinions about topical international problems. President Sarkis expressed thanks for the principled attitude of the GDR concerning a peaceful and durable overall solution of the Middle East conflict and valued its support for the preservation of the sovereignty, independence, territorial integrity and unity of Lebanon as well as for the setting up of an independent Palestinian state. Ambassador Reichardt affirmed that the GDR resolutely denounces the constant Israeli aggressive acts against Lebanon and the interference by the aggressor in the country's internal affairs. President Elias Sarkis conveyed to Erich Honecker, chairman of the GDR State Council, and to the GDR people his wishes for further successes in the new year.

DEFENSE MINISTER SENDS MESSAGE TO ARMY, BORDER TROOPS

LD291142 East Berlin ADN International Service in German 0857 GMT 29 Dec 79 LD

[Text] Berlin--GDR Defense Minister Army Gen Heinz Hoffmann, member of the SED Politburo, has addressed a New Year's message to the members and civilian employees of the National People's Army and GDR border troops. On behalf of the SED Central Committee and its General Secretary Erich Honecker, he thanked the members of the army and the border troops for their devotion and the exemplary performance of their duties during the year of the GDR's anniversary.

"Our most valuable achievement in 1979 was that together with our class comrades and brothers in arms we have been able to preserve peace. This has been possible thanks to the consistent peace policy of the USSR and the active, coordinated action of the entire community of socialist states," the minister stressed. "We have no illusions and know well that the preservation of peace will continue to require great efforts and make great demands on us. Today the struggle for peace is more than ever a tough class struggle. Conscious of our growing responsibility for mankind's greatest possession, we enter the new year with optimism and resolution, shoulder to shoulder with our brothers in arms of the Soviet Army and the other armies of the Warsaw Pact."

NVA RESERVIST COLLECTIVES MEET FOR DISCUSSIONS

AU311540 East Berlin NEUES DEUTSCHLAND in German 28 Dec 79 p 2 AU

[Summary] Berlin (ADN)--NVA reservist collectives are currently discussing their tasks, after the 11th meeting of the SED Central Committee, in paramilitary events all over the republic. The competition "Combat Position 80" is designed by the former members of the armed forces to lead to high production performance, to maintain combat strength and to support paramilitary training. Six thousand reservists from ten enterprises of the Schwarza "Wilhelm Pieck" VEB chemical combine discussed tasks of socialist national defense; former army members talked to brigades and apprentices at the Conderhausen VEB electroinstallations combine at about 100 military-political events.

NEPSZABADSAG SALUTES AFGHAN PARTY'S ANNIVERSARY

LD301912 Budapest MTI in English 1734 GMT 30 Dec 79 LD

[Text] Budapest, 5 Dec, MTI--Central paper of the HSWP NEPSZABADSAG greets in its December 30 issue the People's Democratic Party of Afghanistan on the occasion of the 15th anniversary of its foundation.

The Budapest paper refers to the fact that the People's Democratic Party of Afghanistan began its work amid extremely difficult circumstances, in illegality. Afghanistan lived under Middle Age circumstances, in isolation, even in the second half of the 20th century. There was no industry in the country, the development of agriculture was hindered by the feudal fetters and a significant part of the illiterate country population lived in serfhood. The monarchist government in Kabul obstructed the diffusion of the idea of scientific socialism and the organization of the peasants and workers with all means.

"The members of the party participated in overthrowing the monarchy in 1973. The government of Mohammed Daud, who was elected as president of the republic, did not realize the aims set forth when the monarchy was overthrown. The struggle for the accomplishment of these objectives continued under the leadership of the People's Democratic Party. This struggle led to the people's revolution in April 1978, which opened a new chapter in the history of Afghanistan. The tasks were great: Agrarian reform, emancipation of the nationalities and women had to be carried out, the feudal remnants had to be liquidated, the fight against illiteracy had to be launched," writes the central paper of the HSWP. Then it emphasizes:

"This fight is taking place amid extremely difficult and complicated domestic and international conditions. The dark forces of the reaction, which build on backwardness, do not shrink from any means in their anti-revolutionary machinations and they also enjoy the collusion of international imperialism. However, the progressive forces, under the leadership of the People's Democratic Party, have fought back the enemy attacks. The struggle of the democratic forces of the people of Afghanistan for protecting the people's power, for safeguarding the country's independence also contributes to thwarting the dark machinations of imperialism in this region and serves peace and security.

"On this anniversary we greet our 15-year-old fraternal party, which carries on the cause of the April revolution, protects its achievements, and with the unity of every popular force continues to fight for the flourishing of the ancient country, for independence and progress," stresses the central organ of the HSWP.

LOSONCZI GREETS JABLONSKI ON BIRTHDAY

LD280420 Budapest MTI in English 1705 GMT 27 Dec 79 LD

[Text] Budapest, December 27 (MTI)--Pal Losonczi, president of the Hungarian Presidential Council, expressed his good wishes to Henryk Jablonski, president of the State Council of the Polish People's Republic, on the occasion of his 70th birthday.

LOSONCZI DELIVERS NEW YEAR SPEECH TO NATION

LD011346 Budapest Domestic Service in Hungarian 1100 GMT 1 Jan 80 LD

[New Year's message to the nation by Pal Losonczi, member of the MSZMP Politburo and president of the Presidential Council--recorded]

[Text] Esteemed compatriots, dear listeners:

On the first day of the new year both the country and its citizens take stock of work carried out and, while also looking ahead, define the tasks of the future. Taking stock communally and individually are accomodated well in our society and tasks which define the future shape of the fate of our homeland can be well harmonized.

What sort of year have we left behind? We may say with a clear conscience that we have behind us a year which we may judge to be fundamentally successful, despite its problems. The tangible results of our development are manifest in new factories, tens of thousands of houses, schools, kindergartens, and cultural and health service institutions. Our people can live and work in peace, in tranquil circumstances.

The value of our achievements is enhanced by having reached them in more difficult external and domestic circumstances. Our achievements are embodied in the deliberate endeavors, will and exertions of all our people; the honest and disciplined stance of the workers; the work of peasants battling the forces of nature; and the increasingly effective endeavors of the intellectuals--in other words, the common will and exertion of our people form the basis of the results.

Our people regard our business through the eyes of owners; they take stock of the situation responsibly and make sensible judgements. They bear witness to their political maturity and their adherence to the principle of socialism by accepting in a disciplined and understanding manner measures which aim to solve national problems, even though these demand a sacrifice.

Based on the experience of several decades of seeing that the policies of the party and the government are directed by the interests of thepeople, our people, trained in work and plitically experienced, know well that building socialism is not free from problems. However, the knowledge that our country is progressing on the path of building socialism, in the vanguard of mankind, strengthens their faith and trust.

It is true that our plans for this year have more moderate objectives, but in reality we must solve tasks which are nonetheless significant. All these are aimed to maintain results achieved so far, results which we achieved with much struggle and work in the economy, culture and the standard of living. It is worth it to work and perform deeds for them.

Dear friends: We are totally justified in saying that we may look forward to the new year not without problems but with hope. Today it is an important condition for our progress to work better in every sphere in a more disciplined way so as to enhance the results of our people's economy by more thrifty management and by the improvement of efficiency and quality.

I am convinced we can fulfill these demands since, not for the first time in our history, we have had to overcome difficulties in circumstances worse than those of today. The MSZMP Central Committee gave a good basis for this when it plainly revealed the true situation and indicated the tasks to be followed.

People may perform their peaceful creative work in the knowledge that the party consistently continues the main political line which brought historical successes in past decades. Every Hungarian citizen to whom the grace and further flourishing of the homeland is dear must work and create results and achievements, rallying into strong national unity and resolute determination, led by its elementary interests [word indistinct].

Assured, we can build on the unity which rallies the nation into a socialist unity. All society and the smaller communities are unanimous in their judgments of the issues that face our socialist nation and the tasks awaiting it.

Of these, the guidelines of the 12th party congress state: The main task of the period before us is, on the basis of our great achievements to date, to consolidate further the socialist lines of our society, to consolidate results achieved in the spheres of production, the standard of living and living conditions and to insure the development of our people's economy and the successful continuation of our socialist building work.

Dear comrades: We may look to the future with confidence. We are clear about our tasks at home but also know that there are important international conditions for our peaceful creative work. World events are contradictory and complicated. Moreover, they are sometimes burdened by tension and sometimes threats. It is sufficient to recall NATO's dangerous decision--recently adopted--on the European missile armaments.

Despite all this, however, we are convinced that the future belongs to peaceful coexistence and detente, and that cooperation between countries of differeing social systems will develop further. We continue to deem it important for detente to remain the guideline in the international arena.

The socialist world order plays an increasing role in the shaping of international relations, as well as the international workers' class and national liberation and independence movement. This is why we consider the strengthening of our alliance as the basis for our foreign policy with the Soviet Union, the member states of the Warsaw Pact, CEMA and the countries of the socialist community.

We are in solidarity with national liberation movements and with peoples liberated from colonial rule. Led by the principles of peaceful coexistence and based on mutual advantage we continue to build contacts with the capitalist countries in political, economic, cultural and other spheres.

Dear listeners, we do not delude ourselves that the road before us is smooth, but we profess with conviction that in this year also we have bet ourselves tasks which we can fulfill. In our socialist system, the shaping of the fate and future of all the Hungarian people is in their own hands. We believe that he who understands well his own tasks and obligations and works accordingly is doing creative work to benefit himself and at the same time our socialist homeland and our well-being.

On behalf of the MSZMP Central Committee, the Presidential Council of the Hungarian People's Republic and its Government, I wish good health and strength to all patriots and a happy New Year to all the Hungarian people in the successful implementation of all these tasks embracing all our nation and requiring united action.

WALDHEIM'S VISIT TO IRAN EXPECTED TO FAIL

LD020742 Warsaw PAP in English 0500 GMT 2 Jan 80 LD

[By PAP correspondent Ryszard Kapuscinski]

[Text] Tehran, 1 Jan, PAP--U.N. Secretary General Kurt Waldheim arrived here this afternoon for talks with Iranian authorities on the Iranian-American crisis. According to a statement made by Iranian Foreign Minister Sadeq Qotbzadeh at a press conference, Waldheim arrived to Tehran to learn about the Iranian stand but negotiations on releasing the American hostages "are out of the question." Qotbzadeh firmly stated his country was going to patiently wage its struggle.

The Iranian minister said the U.S. suffered a diplomatic defeat because it did not succeed in making the Security Council adopt a resolution on an economic blockade of Iran. To interpret Iran's consent to receive Waldheim's visit as a sign of giving in to U.S. pressure is totally wrong, the minister said.

Waldheim's arrival to Tehran was critically welcomed by the Iranian press which questions the expediency of the visit. The students qualified the secretary general's visit as "needless" and said they were convinced the visit served no purpose (?and was) not in the interest of the Iranian nation.

The programme of Waldheim's visit was not officially announced and it is not known whether the secretary will be received by Ayatollah Khomeyni or not.

The opinion prevailing in Tehran is that the U.S. will not gain the majority in the Security Council on January 7 necessary to pass a resolution imposing the economic blockade of Iran. Foreign Minister Qotbzadeh said certain member-countries of the Security Council informed the Iranian Government they would not support the blockade of Iran.

The party of the Islamic Republic, supported by Ayatollah Khomeyni, officially announced today Yalaleddin Farsi to be its candidate in the presidential elections. Farsi was a known opposition activist during the reign of the shah and author of a number of theoretical works on Islam.

Tabriz, the capital of Iranian Azarbayjan, continues to be the scene of tension. Clashes between the followers of Ayatollah Khomeyni and Ayatollah Shari'at-Madari are recorded every day.

IRANIAN CRISIS CASTS 'LONG SHADOW' ON U.S. HISTORY

LD311350 Warsaw Domestic Service in Polish 1105 GMT 31 Dec 79 LD

[Maciej Slotwinski report]

[Text] New York--It is difficult to foresee how events in Iran will develop, and what other dramatic forms the crisis between Tehran and Washington will take. The subject has been constantly discussed on television and radio and occupies a prominent place in newspaper headlines.

For example, television adds every evening another day of crisis. Today is the 57th day of the American hostages' imprisonment in the Tehran embassy. Apart from the fact that no one knows how many days will be added, it is certain that the crisis will cast a long shadow on the present history of the United States, in any case for 1980. Its consequences for Americans are many: Moral, psychological, political, military and economic. Morally, the United States has been slapped in the face and it appears that its former Iranian allies hate it. They sneer at the so-called power and supremacy of Uncle Sam, they accuse Washington of being a rascal and it appears that they are capable of turning out crowds against Americans in other Muslim countries. Despite the fact that the world has decisively condemned Iran for its detention of the hostages, even the closest U.S. allies are not very eager to undertake actions together with the Americans. Thus, it is difficult to say on whom the United States can depend in that part of the world.

It is also a political shock for them. Iran, which was some years ago appointed the gendarme of the sensitive Persian Gulf region by Washington, has said that it will use U.S. weapons against the United States if it feels threatened. It is also an economic shock, because the Middle East oil supplies have never before seemed to Americans so uncertain and deceptive as today.

Still another result of the U.S.-Iranian crisis has implications for Presidential politics, this time surprisingly positive ones, at least for the present administration. During this exceptionally difficult situation for the United States, surprised, startled and shocked Americans have gathered around their President. His popularity has suddenly increased and now it is said that Jimmy Carter will most probably stay in the White House for another term. Only 2 months ago his chances were doubtful.

AUTHORITIES MOVE AGAINST DISSIDENT ACTIVITIES

LD311433 Paris LE MONDE in French 19 Dec 79 p 11 LD

["B.G." dispatch: "Poland--The Authorities Seem Determined To Strike a Severe Blow Against the Opposition"]

[Text] Vienna--The various demonstrations which the Polish dissidents intended to organize on 17 December to commemorate the ninth anniversary of the worker riots on the Baltic coast seem to have induced the authorities to strike a severe blow against the opposition. It has been stated in Warsaw that at least 14 of some 110 people who were being questioned--a preventive measure--in several Polish cities since 11 December have apparently been charged with participation in a criminal association (Article 276 of the penal code). According to the relevant clauses, sentences ranging from 6 months to 5 years and between 2-10 years imprisonment could be imposed.

Among the people charged the names of the following men have been mentioned among others: Mr Litynski, editor of the clandestine worker bulletin RABOTNIK, Maciorewicz, editor of the clandestine theoretical magazine GLOS, Chokecki, the man in charge of the clandestine publishing house NOWA, Blumstajn, editor of the information bulletin published by the opposition, Borusewicz, leader of the Workers' Social Self-Defense Committee [KOR] in Gdansk, and Wojciechowski, a member of the human rights movement and representative of Amnesty International. Furthermore, some 40 other people were apparently arrested Monday night.

If this information were confirmed, the decision adopted by the authorities, which since 1976 have constantly avoided taking any too obviously repressive steps, could be explained by their desire to remind the opposition that flexibility has limits and that however pragmatic the Gierek leadership may be, it cannot allow demonstration after demonstration without taking countermeasures. Just over a month ago--on 11 November--on the occasion of the 61st anniversary of Poland's independence, processions took place in major Polish cities. Both in Gdansk and in Warsaw, up to 5,000 people participated in them. It was the fourth time that such demonstrations had taken place in 1 year, something absolutely unprecedented in a socialist country. In any case, four people arrested while the processions were dispersing were sentenced to short terms of imprisonment.

Only wreathlaying ceremonies at spots where workers fell in 1970 and religious services--in Warsaw's Capuchin Church and Wroclaw Cathedral--were planned for 17 December. Despite the presence of many specially mobilized party activists around the Capuchin Church, the service was able to take place and the faithful chanted some dissident slogans for a short while when leaving the church. During the past week, a very large number of posters bearing the legend "We have not forgotten December" were pasted up in streets, especially in Warsaw. In addition, more than 10,000 leaflets urging people to participate in the commemorative mass were distributed in the capital.

DISSIDENT HISTORIAN ASKS WESTERN PUBLIC'S SUPPORT

LD311517 Paris LE MONDE in French 19 Dec 79 p 11 LD

[Text] Historian Adam Michnik, one of the principle leaders of the Workers' Self-Defense Committee [KOR] has launched the following appeal:

"Many of my friends have already been imprisoned. I could well join them in prison. Therefore, I am taking advantage of this opportunity--perhaps the last one for a long time to come--to address an appeal to Western public opinion for help in support of Polish democratic militants who managed to create in 3 years pockets of freedom unprecedented in the history of communist countries. I especially appeal to trade unions and parties and circles of the left and ask them to raise their voices against repression in Poland. Demonstrations commemorating the massacre of workers on the Baltic coast in December in 1970 have been used as a pretext for launching the present wave of arrests. It is no accident that the opposition commemorates the massacred workers, nor is it an accident that such commemoration so greatly irritates the authorities."

OPPOSITION URGED TO AVOID CONFRONTATION WITH AUTHORITIES

LD311113 Paris LE MONDE in French 20 Dec 79 p 5 LD

[Alexandre Smolar telephone interview with Adam Michnik of the Polish Social Self-Defense Committee: "'The Rot Has Set In'"; date of interview not given]

[Text] [Question] How do you explain the authorities' change of attitude, which already made it possible to predict the sentences imposed on four participants in the demonstration of 11 November--the anniversary of independence?

[Answer] The current situation is putting the authorities in a state of panic. The events of 11 November were merely a dress rehearsal which resulted in a setback for the authorities. The demonstration took place despite all the police roundups. The authorities are reverting to the scenario of May 1977. At that time--following demonstrations sparked by the death of the student Stanislaw Pyjas in mysterious circumstances--the authorities embarked on a series of numerous arrests in democratic circles. And, like then, the security police have had to request the political leadership's consent for the arrests on this occasion.... and this consent has been forthcoming. This panic-stricken gesture can only increase the tension, which exists for numerous reasons. Poland is in the grip of a virtually total crisis, and the news coming out of the meetings designating delegates to the party congress proves that the rot has set in. The recourse to temporary expedients and inability to solve the mounting problems have finally worn down even party members.

It is perhaps fear of such sentiments that has caused the authorities to attempt to provoke democratic oppositon circles into desperate or rash actions in the hope of isolating them from the population. Let us hope that the authorities will not achieve their objectives and that the opposition's reaction will be to continue tenaciously with its activities among the workers, peasants and university students, in publishing, culture and education and in the field of the defense of human rights. I hope that the opposition will not allow itself to be provoked into confrontation in the streets or other rash acts because precisely that would suit the authorities. A situation of alleged danger would enable them to put an end to the opposition. In fact the real danger to them lies in nonviolent, realistic, moderate action by opposition circles avoiding confrontations in the streets. But if such a confrontation does take place, the responsibility for it must lie solely with the authorities, who do not understand the language of compromise and dialog with the community and know only how to wield the big stick.

There is a third hypothesis: It is possible that ahead of the party congress scheduled for February, and in the face of an extremely difficult situation, the authorities might wish to have a complete clear-out for fear of additional complications, although they are already sufficiently rent by internal contradictions.

[Question] Do you believe there is any question of an attempt to wipe out the opposition?

[Answer] From the authorities' viewpoint, maybe. The police-state mentality is always tinged with an exaggerated confidence in that kind of solution. Thus, this is a variant which cannot be ruled out. But if this was the case it would be stupid in Poland's current situation, whether we are talking about its economic situation, its dependence on Western credit, social tensions and so forth. On the other hand I do not believe that the extermination of the opposition is possible. I believe that even the people with some sense in the apparatus do not think this is possible. There is only one way out of the current impasse, and that involves reforms and social compromise, not adventurous actions. In the country's current situation imprisoning people is nothing but adventurism.

LE FIGARO: STATE, CHURCH AMBIVALENT ON DISSIDENT ACTIVITIES

LD311449 Paris LE FIGARO in French 20 Dec 79 p 3 LD

[Bernard Margueritte dispatch]

[Text] Warsaw--It will be remembered that, on Tuesday, from 3,000 to 4,000 people gathered in front of the entrance to Gdansk dockyards where a wreath was laid in memory of the 50 workers killed 9 years ago by the forces responsible for law and order. On Monday night, a mass was celebrated at the Capuchin Church in Warsaw to commemorate these events.

It might have been thought that demonstrations commemorating the workers' riots which brought Edward Gierek to power 9 years ago would be looked upon by the present authorities with some favor. But, on the contrary, they reacted to them with some nervousness by proceeding to question, on suspicion, some 100 dissidents on the eve of demonstrations which took place not only in Gdansk and Warsaw but also in Wroclaw, Lodz and Katowice.

Furthermore, following the Warsaw mass, two Western correspondents representing the two West German television networds were manhandled and the camera of one of them was destroyed.

Despite some belated excuses, it remains clear that such an attitude toward accredited correspondents is completely unacceptable.

Condemned by the Church

However, a personality close to the government made a point of telling us on Tuesday: "Our present behavior with respect to dissidents implies no hardening of our policy. We have no intention of following the Czechoslovak example of making martyrs. However, we cannot tolerate, especially just before the party congress, any unauthorized street demonstrations which are in fact aimed against the first secretary."

Our interlocutor declined to state whether the government was afraid that demonstrations by dissidents could lead to provocations or whether it believed that they could simply be used as arguments by Edward Gierek's political adversaries.

At the same time, an important representative of ecclesiastic circles told LE FIGARO on Tuesday that the church condemned--and this is an unprecedented event of obvious political importance--"The dishonest methods of those who are called dissidents and the inadmissible use of places of worship for political ends," as happened on the occasion of the Mass celebrated in Warsaw on Monday.

In fact, circles close to the episcopate have made it known that the church had authorized the celebration of a mass for one deceased person but that a dissident proclaimed through a loudspeaker that the Mass was in fact being said in memory of the victims of the 1970 worker riots. "Our good faith has been exploited," my interlocutor added, "we cannot accept such methods."

On a deeper level, the church in Poland certainly wants to make its strong voice heard in defense of human and civil rights. However, it is in no way anxious to seem to work hand in hand with dissidents some of whom are, in any case, Marxists even more virulent than the present representatives of the government.

CHURCH CALLS FOR MODERATION TO AVOID 'EXPLOSION'

LD311443 Paris LE MATIN in French 20 Dec 79 p 12 LD

[Report on Alexandra Kwiatowska and Bernard Poulet interview with Polish Catholic spokesman Stanislaw Stomma: "'Reforms Needed To Avoid Explosion in Poland'"--date and place of interview not given]

[Text] According to Stanislaw Stomma, former chairman of the Polish Catholic parliamentary group Znak and spokesman for Catholics close to the episcopate, recently questioned by LE MATIN, "A turnabout favorable to progressives cannot be ruled out at the party congress in February 1980." However, according to the former Catholic deputy, "even if the congress is not marked by any evolution, changes could come after. The only thing is that the operation would then be more dangerous and more profound. It risks assuming the nature of an 'earthquake,' which is not desirable for Poland."

"Realism is indispensable and imperative in politics. But Realism with a capital 'R' has a prerequisite: the political support of the nation. This is an indispensable condition, albeit one which it is difficult to realize in Poland.... This is a challenge to all governments in Poland," Stomma explains.

According to him, to emerge from the "absurd" situation which Poland is experiencing there is a need not only for courage but also for "a mature and responsible [illegible]ation, a strong and moderate church and a victory for the reasonable current within the party." While acknowledging that the alliance with the USSR remains an "intangible reality," he urges the Moscow leaders "not to squeeze the Polish lemon too far."

"There must be a break with the passivity, apathy and indifference of a Polish society demoralized by disinformation and moral corruption due to the difficulties of daily life," the Catholic spokesman explains.

"The first reform should attempt to bridge the gap which exists between the nation's social conscience and public life, which goes on in isolation from it. In this field the illegal but not clandestine opposition represents an embryo for social life in Poland. Basically it plays rather a constructive role, even with regard to the state, since it gives a civic conscience to the citizen.

"What must be ascertained is whether the nation is prepared to engage in another experiment in collaboration with the party, as in 1956. In 1956 it was easy for the party to give something to the people--to release Cardinal Wyszynski, suppress the collective farms and reduce censorship. But today it is a question of much more profound changes.

"...The authorities have taken a few steps toward the population. But it is necessary to go further. The people have shown that they are mature, responsible and disciplined. The church has displayed moderation. The danger of an explosion exists and has not been removed. Reforms are needed to avoid it.

"The Soviet Union cannot abandon the dogma of communist centralism. Nor can Poland. But today it is impossible to appoint a janitor in a Polish school without a decision from the party; it's too much...."

BUSY TRAFFIC REPORTED AT GDR BORDER CROSSING POINTS

AU281505 Warsaw TRYBUNA LUDU in Polish 24-26 Dec 79 p 1 AU

[Text] PAP--Busy traffic at five border crossing points along the border with the GDR in Szczecin Voivodship is continuing. In the week of 17-22 December over 62,000 persons used those points to cross the border. On 21 December alone almost 18,000 persons went through border formalities in Kolbaskowo and Lubieszyn. Many persons also use the pedestrian crossing point at Ahlbeck near Swinoujscie, and over 12,000 of them used it last week. They included many vacationers intending to spend vacations at seaside rest and medical centers.

POLITBURO CONGRATULATES JABLONSKI ON 70TH BIRTHDAY

AU281501 Warsaw TRYBUNA LUDU in Polish 27 Dec 79 p 1 AU

[Text] On the occasion of his 70th birthday, Henryk Jablonski, PZPR Politburo member and State Council chairman, received the following letter from the PZPR Central Committee Politburo:

Dear comrade professor, on your 70th birthday the Politburo and the Secretariat of the Central Committee send you expressions of deep esteem and cordial friendship.

All your life has been completely filled with selfless and fruitful work for the people, socialism and science. No other person in our country has been able to combine political militancy in the workers movement, in the Polish Socialist Party and in the PZPR with extensive research and teaching activity in the sphere of the science of history as you have.

The great virtues of your mind and character, ardent patriotism and internationalism and important creative achievements have won for you general praise within the party and among all our people as well as the great authority of an outstanding scholar and statesman.

We highly value the contribution of your experience and knowledge to the work of the Politburo and the supreme authorities of our state. You have helped create many achievements of People's Poland in the past 35 years and especially in the last 10 years, during which we have jointly implemented the program of the sixth and seventh party congresses.

Dear Comrade Henryk, we wish you further successes and satisfaction in the social and scientific spheres. We wish you good health, happiness and prosperity for you and your relatives.

MILITIA OPERATIONS TO 'COMBAT TRADE CRIMES, ABUSES'

AU281515 Warsaw TRYBUNA LUDU in Polish 24-26 Dec 79 p 4 AU

[Summary] "PAP--Together with inspectors of the State Trade Inspectorate and social controllers, militia functionaries carried out another nationwide investigation under the code-name "Market" on 17-21 December. The purpose of the operation was to combat crimes and abuses in trade which harm customers. [paragraph continues]

"Over 13,000 shops and 854 markets and other trading facilities were investigated and, as a result, 159 offenses were investigated, over 1,000 applications were made to lay courts to mete out punishment and over 30,000 fines totaling almost Z1 million were administered. At the same time, the militia applied in almost 600 cases to state and economic administration for action to remove the shortcomings in question."

A shortage of some products and commodities is causing not only difficulties, but also frequent abuses, which are responsible in some cases for illusory shortages in the market. That is so in the case of sales to so-called favored people. For example, some 25 percent of the shops under control were found to conceal foodstuffs and industrial goods in demand. In other cases, a shop manager in Morzeszczyn, Gdansk Voivodship, kept 130kg meat under the counter for the owner of a restaurant, but the meat rotted away instead. In 38 shops in Katowice over 1.7 tons of meat and 600kg of carp were found under the counter in a single day.

Another abuse is sales of food and commodities directly from warehouses or during transport to shops. Instead of the expected goods, shops often receive cash equivalents and invoices. A commission agent in Wroclaw Market Hall received for sale, in addition to his own share, about 700kg of smoked meat that should have been delivered to surrounding eating places. In Gdynia a truck driver sold fish he was taking inland at higher prices to owners of fried fish shops.

There are also cases of cheating on the weight, price and quality of goods. Control checks have revealed that about 35 percent of trading points and about 75 percent of private shops indulge in such cheating. For example, at a Zamosc market traders charged Z60 for 1kg of onions which should only have cost Z16. Some traders offer for sale the goods that have never been registered anywhere and that, evidently, have been acquired through stealing and swindling in butcher shops, bakeries and other places.

"The investigations carried out, especially during peak shopping periods, by units of the militia headquarters and militia voivodship commands charged with combating economic crimes and by the appropriate control institutions are organized in addition to other preventive measures to protect the customer."

COUNCIL OF MINISTERS DISCUSSES IMPLEMENTING PLAN

LD292239 Warsaw Domestic Service in Polish 1600 GMT 29 Dec 79 LD

[Text] The Council of Ministers discussed actions for the first few months of next year against the background of the preliminary results achieved in the implementation of this year's plan. It was stressed that the most important task for central and regional state and economic administrations is creating conditions which will ensure efficient implementation of next year's plan from the very beginning. All conferences of workers self-management have a very important role to fulfill, and their decisions should constitute [words indistinct].

The Council of Ministers, in agreement with the Central Trade Union Council, has adopted a resolution on principles and schedules of introducing additional days off work next year. It has been decided that workers in nationalized work enterprises may have sixteen additional days off next year on the following dates: 12 and 26 January; 2 and 16 February; 8 March; 18 April; 9 May; 21 June; 5 July; 21 August; 20 September; 25 October; 8 and 12 November; and 6 and 20 December.

REPORTAGE ON CEAUSESCU RECEPTION FOR DIPLOMATIC CORPS

Congratulations Exchanged

AU291516 Bucharest Domestic Service in Romanian 1100 GMT 29 Dec 79 AU

[Text] Comrade Nicolae Ceausescu, president of the Socialist Republic of Romania, today received the chiefs of the diplomatic corps and representatives of international organizations accredited in our country, who congratulated Comrade Nicolae Ceausescu on the New Year's Eve and on the 32d anniversary of the proclamation of the republic. The reception was attended by Comrade Ilie Verdet and other party-state leaders.

On behalf of the diplomatic corps accredited in Bucharest V.I. Drozdenko, USSR ambassador and dean of the diplomatic corps, congraulted Comrade Nicolae Ceausescu and the Romanian people on the New Year's Eve and on the anniversary of the republic proclamation. He wished Comrade Nicolae Ceausescu health and happiness and prosperity to the Romanian people.

Comrade Nicolae Ceausescu thanked the diplomats for the congratulations and good wishes. The speech made by the Romanian head of state, who reiterated the principles of Romania's foreign policy, was followed with keen interest and punctuated by applause. Comrade Nicolae Ceausescu then had a cordial talk with the chiefs of the diplomatic corps. The president of the republic had a glass of champagne with the diplomats, who extended congratulations to him on behalf of the heads of state and government they represent.

Ceausescu Address

AU291821 Bucharest Domestic Service in Romanian 1600 GMT 29 Dec 79 AU

[Speech by President Nicolae Ceausescu on receiving the foreign diplomatic corps accredited in Bucharest on the occasion of the new year and the 32d anniversary of the proclamation of the republic on 29 December--recorded]

[Text] Comrade dean of the diplomatic corps, esteemed comrades and messrs ambassadors and chiefs of diplomatic missions:

First of all, I would like to warmly thank you for the congratulations and wishes addressed to the Romanian people, the leadership of the Socialist Republic of Romania and to me personally on New Year's Eve. In our turn, I would like to extend to you, ambassadors and chiefs of diplomatic missions accredited in the Socialist Republic of Romania, congratulations on the New Year's Eve and for your activity during 1979 devoted to developing relations of cooperation and friendship between Romania and your countries.

Some of you have been in Romania for several years, others have just arrived this year. You are familiar with the work and achievements of the Romanian people as well as with our difficulties and hardships. This year we have celebrated the 35th anniversary of the revolution of national and social liberation and we held the 12th RCP Congress. On both occasions I presented in detail the work and efforts of the Romanian people as well as our future programs. Therefore, I do not wish to dwell on them now.

I would only like to mention the fact that, in spite of the difficulties--the economic, energy and oil crisis and the complex international problems of 1977--the Romanian people have attained good results in fulfilling the program of socioeconomic development and, on this basis, raising our material and intellectual living standards.

We are aware that we could have achieved more and that there is much left to be done. However, we know that our achievements demonstrate our people's force and capability of unswervingly implementing the programs for socialist construction and for raising the material and intellectual well-being.

The year 1979 has been a year with many international problems. Unfortunately, the very beginning of 1979 was marked by events that complicated the international relations and raised new obstacles to the policy of detente, cooperation and peace. Efforts have been made during this year to overcome certain moments of tension, to resolve certain problems in various parts of the world and to reach agreements for promoting the policy of detente, cooperation, disarmament and peace. Therefore, one could generally say that, in spite of contradictory developments, the peoples have the necessary power to insure a new development and to make progress toward detente, cooperation and peace.

We are entering a new year; indeed, we have the custom, as all peoples seem to have it, of formulating great hopes and wishes and expecting their fulfillment. Of course, the wishes of people everywhere are quite different but they also have many things in common. If we were to ask them all, I believe that a public opinion poll will come up with results that should require the politicians and heads of states and governments to take them into account. I believe that over 80 percent of the people of the world would support putting an end to the policy of domination, force and interference in the affairs of other states and for unflinchingly observing each people's right to a free and independent development and to decide its socioeconomic development in accordance with its own wishes and without any foreign interference.

We believe that this is a key requirement of all peoples and since there has lately been much talk about the rights of men and peoples. The main right from which one should proceed is the observance of independence and of each people's right to be masters of its destiny.

We hope, and I believe all peoples do the same, that all kinds of colonial, imperialist, neocolonial and domination policy will be eliminated. In this respect, I do not wish to give examples of such policy of domination. I also think that this is not necessary, since everybody knows what it is all about. We hope that everybody will understand that in order to promote a policy of detente and peace it is necessary to attain new international relations based on full equality of rights, respect for national independence and soverignty, noninterference in domestic affairs of other states and equal and equitable economic relations, which should exclude inequalities that eventually turn into oppression. This is another requirement, and if we were to consult the peoples, we would find an overwhelming majority in favor of this.

Finally, I want to mention mankind's concern with disarmament and with putting an end to the policy of accumulating new armaments and to the arms race, which, month by month and day by day, becomes an ever greater burden for all peoples, leads to the worsening of the economic development and living standard of peoples and poses serious dangers to peace, security and the very life and civilization of our planet.

Therefore, at the beginning of the new year, we should hope and strive for a wiser and more reasonable policy, which takes into account the desires and wishes of peoples, for halting the arms race, for preventing the introduction of new nuclear weapons in Europe and other parts of the world and for starting negotiations and adopting concrete measures for disarmament in all fields.

As you well know, the end of this year was marked by the decision to introduce new nuclear missiles in Europe. We hope that the new year, 1980, will lead to negotiations between the two sides and all the interested parties so as to prevent the introduction of new missiles in Europe, and also in other parts of the world, and to attain a balance of power by reducing the level of armaments, not by raising it. It is necessary to do everything possible to insure that 1980, when the Madrid meeting on European security is due to take place, marks a new point in implementing the Helsinki documents and proceeding to measures for military disengagement and disarmament.

We hope that all European peoples and all peoples in the world will understand that the Madrid meeting should accomplish more in this respect and that it is in the interest of Europe and the entire mankind for the Helsinki documents to be implemented and for a disengagement and disarmament to be reiterated.

We must take into account the fact that more than two-thirds of mankind will start the new year with other wishes, too. They live under conditions of underdevelopment and great privations and think of 1980 as a year when concrete agreements can finally be reached for the implementation of vast programs of development and assistance to underdeveloped or developing countries, in order to insure their socioeconomic progress.

These hopes are also connected with the fact that a special UN session on this subject will be held in August and September 1980. All developing countries, Romania being one of them, expect that the developed countries, both the capitalist and socialist ones, should come to this meeting with constructive suggestions, since there can be no international detente, peace and cooperation without an end to the current situation in the field of economic development.

Nobody can prevent the peoples from fighting and using all methods they deem necessary to put a final end to this situation of the world's division into rich and poor. That is why we believe that 1980, when this special UN session devoted to the new international economic order is scheduled to take place, offers a chance that all peoples, both the poor and rich ones, must necessarily take into account.

The rich ones must also comprehend that they will not be able to continue to maintain their wealth and development unless they understand that the poor ones cannot plunge deeper and deeper and that a new international order must be attained, an order that can insure better living conditions and socioeconomic development opportunities for those that have been wronged thus far.

In our opinion, these are some key problems facing 1980 which must be resolved somehow; at least one should start to resolve them in a new way. However, it is essential to understand that all these problems can only be resolved through negotiations and trust, by completely renouncing the use of force and the military alternative and by unflinchingly observing the independence of peoples and their right to draw up their own development plans, in accordance with their wishes. The nonobservance of these basic requirements of the rights of man and peoples will lead to a new aggravation of the international situation, with unpredictable consequences.

Therefore, we express the hope that all states and peoples will act in a spirit of full responsibility in the interests of socioeconomic development and of detente and peace, that they will refrain from any actions leading to a worsening of the international situation and that they will act to eliminate or at least diminish the current states of tension and conflict in various parts of the world.

I would just like to mention the hope of many peoples--I believe this is the hope of all peoples, at least the hope of those in Europe--in an overall political solution for the Middle East through Israel's withdrawal from the territories occupied in 1967 and by fulfilling the Palestinian people's right to self-determination, including the creation of their independent state, a compulsory requirement for a lasting peace and stability in the Middle East and for resolving certain complex problems of the energy crisis. We also hope that restraint and understanding will also be shown in other parts of the world, too, that the use of force should be renounced and that the right of peoples to independence should be observed.

We also hope that, in spite of the limitations of the London agreements on Rhodesia, action will be taken to insure all conditions for the Rhodesian forces, including the Patriotic Front, to be able to legally carry out their activity. Likewise, a resolute end should be put to any interference so that the elections there should provide a political solution and insure a new and independent development of the people of Rhodesia.

In this spirit, [Ceausescu falters] these are the thoughts and wishes of the Romanian working people and all the people--and if we were to consult all peoples, these would be the thoughts and wishes of the great majority of them--for next year's international problems. With these thoughts, I would like to conclude this speech.

Of course we have our wishes concerning Romania's development, but, as I have previously said, I have presented them at the congress. We are firmly determined to implement them, to develop international cooperation with other states and expand economic exchanges, since only thus can we overcome together a number of problems raised by the economic and energy crisis.

With these thoughts and wishes I wish the new year to bring ever greater fulfillments for all peoples along the road of socioeconomic development, of strengthening their national independence and of raising their well-being and happiness. I wish the new year to fulfill the peoples' desire for greater detente, for the intensification of the disarmament policy, for the new economic order and for peace.

Please convey to the heads of state and government in your countries wishes for greater successes, well-being and prosperity. On behalf of the State Council, the government and myself personally, I would like to extend to your peoples our wishes for well-being, peace and happiness. [applause]

I wish you success in your activity devoted to developing friendship and cooperation between your countries and my country. I wish you and your families, much health and happiness and a happy year.

TANJUG CORRESPONDENT REPORTS SOVIET VIEW OF AFGHAN ACTION

LD311622 Zagreb Domestic Service in Serbo-Croatian 1400 GMT 31 Dec 79 LD

[Text] Savo Bosanac, TANJUG's correspondent in Moscow, reports the way in which the Soviet military action in Afghanistan is being interpreted in Moscow. It is being stressed that the aim of the action was to put an end to foreign interference in Afghanistan. The interpretation that the Soviet Union participated in the coup is rejected. It is also being stressed that the action is in accordance with the UN Charter. Bosanac says:

An explanation has finally been given in Moscow of the Soviet military action in Afghanistan. The Soviet Union claims that it sent military forces there with a view to halting foreign interference in the internal affairs of this country because the USSR has, as PRAVDA explains today, joint interests with Afghanistan in matters of security. It is noted that in Pakistan there are several centers for training armed groups which have been invading Afghanistan and are endeavoring to change the regime. In an extensive article in today's PRAVDA, it is said that the instructors at these centers are associates of the U.S. secret service, Chinese specialists in partisan operations and even Egyptian specialists.

It is not being made public, however, how many Soviet soldiers there are at present in Afghanistan. It is explained here that the military contingent in Afghanistan is limited and that its task is to prevent, as they express it here, armed interference from the outside. When this is achieved, it is announced in Moscow, the Soviet forces will be withdrawn. Of course, foreign interpretations of the action as the occupation of Afghanistan, with Soviet military personnel participating in the coup; as interference which is a threat to peace; and so on, are all rejected. It is stressed in Moscow that the Soviet military action has been carried out on the basis of the treaty with Afghanistan and a request from Kabul. It is also claimed that the action is in accordance with the UN Charter. As has been seen, these interpretations differ greatly from the appraisals hitherto made by many countries.

SOVIET NAVAL VESSELS PAY VISIT TO SPLIT

AU282205 Belgrade POLITIKA in Serbo-Croatian 25 Dec 79 p 8 AU

[Text] Split, 24 December, TANJUG--A detachment of USSR naval ships arrived today in the Split port where it will stay on an unofficial visit. During the visit the crews of these ships will visit some historical and cultural monuments in Split and the surrounding region.

KURTOVIC RECEIVES ZIMBABWE, NAMIBIAN REPRESENTATIVES

AU282214 Belgrade BORBA in Serbo-Croatian 22 Dec 79 p 6 AU

[Summary] Todo Kurtovic, president of the SAWPY Federal Conference, received in Belgrade yesterday the political representatives of both wings of the Zimbabwe Patiotic Front, ZANU's (Hambakve Mvenge) and ZAPU's (Kenan Nkube), and the representative of Namibia's SWAPO liberation movement, (Nestro Embumbulu). He held talks with them in connection with the opening of the missions of these liberation movements in Yugoslavia. Aleksandar Bakocevic, president of the SAWPY Section for Foreign Political Affairs and International Relations, participated in the talks.

In his statement at the talks, Kurtovic particularly stressed Yugoslavia and SAWPY's support for "the just struggle of the Zimbabwe and Namibian peoples for their freedom and independence" and spoke about "the enormous importance of the liberation movement's struggle to expand the area of freedom on a worldwide scale and to change the unequal and unjust international relations. Emphasizing the importance of full-fledged participation by the Zimbabwe Patriotic Front and SWAPO in the nonalined movement, Kurtovic advocated the development of such forms of active cooperation within the nonalined movement which would make the greatest contribution to strengthening the movement as an independent and nonbloc factor in international relations."

Kurtovic also informed his guests that "SAWPY and the SFRY would continue to extend comprehensive support and assistance to the struggle of the peoples of Namibia and Zimbabwe to insure that these countries become really independent as soon as possible and that these liberation movements further assert themselves as the only genuine representatives of their peoples."

BORBA SPECULATES ON CONSEQUENCES OF CARACAS OPEC MEETING

LD241431 Belgrade TANJUG in English 1330 GMT 24 Dec 79 LD

["Pool" item]

[Text] Belgrade, December 24 (TANJUG)--The failure to reach agreement in Caracas on a uniform price of oil (except for the minimum of 26 dollars per barrel) gives futher room for pressures and blackmailing in international relations and opens up possibilities for direct military interventions in order to secure oil deliveries, writes the Yugoslav daily "BORBA" in its regular weekly commentary.

Nothing that this also endangers world peace, the daily notes that it is beyond all doubt that "the most endangered" big powers will try to safeguard their interests also by imposing mew military arrangements in oil-rich regions. This will be a new form of fighting for spheres of interest, which means new frictions and crises in international relations, "BORBA" warns.

The policy of imposing high prices for oil, the daily continues, has prompted big consumers to create huge reserves which enable them already now to blackmail the OPEC countries. By purchasing oil, (even at more than 30 dollars per barrel) the seven biggest OECD countries, for example, have increased their reserves to one billion of barrels in one year alone. Taking into consideration the monopoly of big petroleum companies, which in the first six months on this year alone increased their profits by 50 percent and gained additional $4.6 billion, it becomes clear who gains and who loses because of market instability.

The disagreement among OPEC countries in Caracas becomes all the more an indiction of the necessity to settle this problem within the framework of the creation of a new international economic order, writes the daily. It is easy to understand why the developed industrial countries resist a new order and insist on energy problems being solved separately, but it is hard to understand why the OPEC countries have not yet embarked on a quest for a global solution within the framework of a new order, writes "BORBA".

Noting that the OPEC countries did not fail to demonstrate in Caracas their solidarity with developing countries, "BORBA" concludes that "to guarantee oil deliveries to developing countries is one thing, and a step further, while to impose prices to developing countries is quite another, and, a step backwards in the entire complex of relations concerning petroleum".

DJURANOVIC SUBMITS SOCIAL PLAN REPORT TO ASSEMBLY

LD262040 Belgrade TANJUG Domestic Service in Serbo-Croatian 1355 GMT 26 Dec 79 LD

[Text] Belgrade--Today Veselin Djuranovic, president of the Federal Executive Council, submitted to the joint session of the SFRY Assembly's Federal Chamber and the Chamber of the Republics and Provinces, a report on the implementation of Yugoslavia's social plan since 1976, and on the implementation of the plan in 1980. In his report he said:

The broad debates over several weeks on our country's economic situation in connection with determining the policy of the social development in 1980 were comprehensive and detailed. Republican and provincial assemblies and their executive councils, the SFRY Presidency, the most responsible forums of sociopolitical organizations in the federation, the Presidium of the SAWPY Federation Conference, Presidium of the Council of the Trade Union Federation of Yugoslavia--the LCY Central Committee Presidium also adopted separate political conclusions--and the Chamber of Economy of Yugoslavia and its associations actively participated in the preparation and adoption of the resolution and of its accompanying documents, and we can say, therefore, that the resolution is more than ever before the outcome of joint efforts of all the basic factors of our self-managing society.

From the debate so far it can be concluded that the dominant factor is agreement about the assessment of the economic situation and of its basic characteristics and tendencies. It is certain that 1979, too, is characterized by considerably significant results in the further strengthening of society's material forces.

This is particularly reflected in the fact that the social product will grow by 6 to 7 percent, industrial production by about 8 percent, agricultural production by about 5 percent, the standard of living by about 4.5 percent, while the rate of growth of employment will be 4 percent. At the same time productivity increased by 2.5 percent and investments in basic resources by about 7.5 percent. All these figures show that as regards the dynamism of the socioeconomic development, our country retained its high place in the world, and this under conditions in which unfavorable aspects in world economic trends--in particular in the industrially developed countries of the West--marked by stagnant rates of growth and by continually increasing two-digit inflation rates, have been appearing.

There is also accord on the assessment that such dynamics of growth in our country this year are accompanied by fairly pronounced unfavorable tendencies and by intensified economic problems in some sectors of social reproduction, and even by the exacerbation of some economic problems, because some problems have been accumulating over the years.

Without coming more deeply into an analysis of this assessment, I would single out only that which is entirely beyond dispute and which is the most unfavorable characteristic of the present economic situation. This refers first to the problems in the sector of economic relations with other countries, which have been particularly exacerbated and which are manifested above all in the high deficit of the balance of payment which has now become a restrictive factor of our development; and, secondly the fairly high discrepancy between the growth in income and the growth of all aspects of consumption. In this context it should be pointed out that in some spheres this discrepancy is even deepening. And, third, a particular negative characteristic is the high rate of inflation.

With reference to the causes of the existing situation and the manifest unfavorable tendencies, it is necessary to point out that the behavior of all the subjects of decision-making must be coordinated more with the demands of the economic stabilization policy than last year and the years before. In fact, what is needed for the successful implementation of tasks next year is a radical change in the behavior of all social factors, above all in connection with relations to distribution and to economic relations with other countries. To continue the discrepancy between the consumption trends and the available income would be to deepen the causes of economic instability.

Analyses show that the causes by their nature and by their dimension are such that they cannot be overcome in 1980, and that they will to a certain extent also accompany our development for a number of years to come. It is necessary, therefore, that the entire concept of the medium-term planned development be subordinated to the overcoming of the basic causes which bring about economic instability in our country.

There is also accord on the need to make exceptionally great efforts in 1980 and to take significant measures with the aim of halting unfavorable trends in individual sectors of social repr duction which have been manifested over a number of years; in this way, a favorable basis will be formed for a start to the next medium-term period. It is necessary to stress this because on the basis of this assessment of the existing causes, the orientation for the 1980 development policy has also been established. Efforts have been made to make possible the implementation of this aim in 1980 by defining the tasks and by elaborating the measures for the implementation of these tasks.

The entire debate on the concept of development and of the measures of the 1980 economic policy and in particular the statements made by the president of the republic, Comrade Tito, as well as the conclusions of the Presidium of the LCY Central Committee, the attitudes of the SFRY Presidency and the comprehensive debate held in the republics and provinces as well as those heard by the SFRY Assembly, insisted that priority be given to the devising of complex measures which would determine, both in a short-term and long-term way, the ways and means of overcoming the established causes and to set in motion the process of real economic stabilization. The accord on this is beyond dispute and the main issue, therefore, of the present socioeconomic juncture is how to arrive at a coordinated and more complete program of measures, a program which will allow for the full activation of all organizations of associated labor, all self-management organizations and, it goes without saying, of the republics, provinces and the federation aimed at unified action in implementing these measures and by which conditions will be insured to overcome the causes which bring about economic instability and the process of economic stabilization set in motion.

In connection with our quest for answers to economic policy and development policy measures and instruments, the Federal Executive Council [FEC] has made considerable efforts so that now, with the adoption of the resolution, we can to a great extent lay down the directions of action and some of the most important measures which have to be taken next year in order consistently to implement the policy of economic stabilization. The FEC particularly committed itself to insure that the substance of the development policy next year, given in the draft resolution, should be substantially improved in that even more specific and more resolute stands on the line of defining the policy of economic stabilization be provided. It is quite evident that we must make a radical turnabout in the period ahead of us in order to overcome the reasons for economic instability. However, it is also quite obvious that it is not that simple to devise a complex of measures which in this point in time could provide an answer to all the questions and to what the meaning of such a turnabout at all points of social reproduction could be.

Hence, our orientation that, proceeding from realistically assessed internal and outside conditions, we should define those tasks which in a given situation we can realistically carry out. This orientation is of exceptionally great importance because we must not tolerate conduct which boils down to mere declarations in favor of a policy of economic stabilization, which we have done from time to time. We must make sure that everyone actually carries out the tasks which we have pointed out as a condition for a successful implementation of the policy of economic stabilization.

This means that these tasks must be fulfilled as a result of the efforts made by our entire society, with the simultaneous organized and coordinated endeavor by all social subjects in the country. It can be said that for 1980 we must define such a program of measures as will represent a genuine beginning of this kind of turnabout and which will in fact represent the end of unfavorable tendencies and the opening up--inch by inch and step by step--of a positive process.

The FEC orientation is that by the end of January 1980, by and large all the measures within the province of the federation should be passed, except those for which the resolution has provided different deadlines. The attainment of these deadlines is conditioned on the efficiency of cooperation and coordination with appropriate republican and provincial organs.

At the same time and without any hesitation, our approach in our quest for appropriate measures to devise an overall development policy next year should be as fully as possible in keeping with the systemic solutions which make up the totality of our self-management socioeconomic and sociopolitical system. The knowledge that any other approach is not only unacceptable and that we must not only resolutely fight against it, but that any other approach leads both to the undermining of the basic assumptions of our system and to further deep social upheavals in our country must become a clear and dominating knowledge.

At the same time this enjoins that one should be realistic in this approach, that we must be absolutely clear in our assessment that in individual sectors, primarily in the sector of economic relations with foreign countries, we are in fact confronted by elements of an exceptional situation which in certain conditions could become even worse unless we operate more efficiently. Surprises in the sector of economic relations with foreign countries cannot be ruled out--in view of the international economic situation--such as possible disruptions in our balance of payments, of the proportions which these disruptions had in 1979. We could count also on the measures provided for by our Constitution and by laws--measures, of course, which would be of a temporary nature. It should be stressed in particular that such measures must genuinely be temporary and they must be applied exclusively in order to remove major disruptions.

Bearing in mind everything I have stressed so far, permit me to dwell on the three groups of problems which evidently will be the main ones we will be dealing with in 1980.

First and foremost, I should like to dwell on the problems of our economic relations with foreign countries, bearing in mind the assessments given in this respect and the tasks which the resolution defines regarding this matter, stressed Djuranovic. As we have already established, the basic problem here is the high level of our balance of payments deficit, because of the high level and of the constant increase of our country's trade deficit with foreign countries.

This is now the essential limiting factor of our development. Accordingly, the solution of the question of stabilization of our economic relations with foreign countries along the line of reducing our balance of payments deficit to a tolerable level must become the basic direction and be given a priority position in our action next year. Our exports policy has a central position in the implementation of this basic objective of our economic policy next year.

The draft of the resolution defines the task that next year we should export 6 percent more goods and services than this year and that at the same time our overall imports be coordinated with our balance of payments possibilities....

The FEC took the view that next year we should firmly adhere to the orientation that the $2 billion payments deficit framework must not be exceeded even at the cost of reducing the volume of imports--a reduction which could occur because of an unexpected price rise or because of other disruptions. For the time being the question of what impact a further increase in the price of crude oil and of petro-chemical raw materials based on crude oil will have on possible adjustments to the aforementioned framework of the deficit of our balance of payments has remained open, since in this point of time we cannot anticipate these developments. Should there be a new and considerably higher increase of prices over and above the old prices now reckoned with in the planned balance of payments, the FEC on the basis of a concrete study of the situation, will put before the assembly the solution it deems most appropriate.

In our orientation regarding concrete measures on the plane of economic relations with foreign countries, one has to proceed by insuring the two main conditions which will make sure that no fresh emergency measures have to be taken during the next year.

First, that measures be taken to insure that exports are a source of income, because at the moment to a great extent that is not so; that is to say, that full economic interest in exporting should be created;

Second, that systematic solutions should simultaneously be applied more consistently so that organizations of associated labor can have foreign currency at their disposal and be in a position, in fighting for income, to associate foreign currency depending on their economic interest.

In this respect the question arises: Can the basic conditions necessary for a successful implementation of the policy of exports be insured? Do we already have a clear knowledge of the kind of measures we have to take in order to attain this objective?

Despite the very intensive work in this area, it has to be said that we are still not quite satisfied with the measures proposed so far. Nevertheless, the concept of measures to support exports, although not yet fully comprehensive, has the following characteristics:

First; there are the joint efforts aimed at a certain calming of domestic economic activity, which represents the general condition for production for exports becoming the fundamental and lasting component of production, and thus of economic development;

Second, to improve the system of incentives for exports by means of a more objective paying back of customs and levies and by other types of relief for exports of goods and services. During the whole year a debate has been in progress at the interest community of Yugoslavia for economic relations with other countries, with the participation of the FEC, on the foundations of the new agreement on stimulating exports which unfortunately will not be completed by the end of the year. The process of reaching agreement on the basis of self-management is in a stage which allows us to draw the conclusion that this work will, along with the additional involvement of all social factors, be completed by the end of the first quarter of the next year. This agreement envisages, above all, a series of better solutions regarding the exports of goods and services to developing countries as well as to countries and regions where our exports are far below our imports. All instruments in the system of incentives should be more operative and the payback timely;

Third, measures are being prepared by which the Yugoslav Bank for International Economic Cooperation will be made more capable of carrying out its function of initiating credits for exports by insuring for these purposes continuous sources of funds for 1980 and for the years to follow, and thus following more successfully through credits the export business of our economy. All these measures, in which agreement-seeking by business banks as well as the relevant activities of republics and provinces have a special place, should be carried out in the course of the first quarter;

Fourth, the aim will be to insure, through a credit-monetary policy which is part of the function of the exports in 1980, resources for a selective policy of exports through rediscounting credits by which the formation of credit lines for organizations active in exports would be insured on time;

Fifth, by pursuing a more active policy of the real exchange rate of the dinar next year, a more adequate interest of organizations of associated labor in earning income by exports will be created;

Sixth, measures will be taken aimed at improving the quality of work by sections at the Chamber of Economy of Yugoslavia and coordination committees in republics and provinces and in particular, the work of joint trade missions abroad will be made more operative and more efficient, thus strengthening the organization and the unity of business ventures abroad;

And, seventh, self-managing interest communities for economic relations with other countries of the republics and autonomous provinces should work out provisions in self-managing agreements concerning the conditions of acquiring and distributing foreign exchange, by which organizations active in exports would retain foreign exchange realized by exports for income-based pooling with organizations which have participated in the reproduction cycle of the production of the exported goods. In line with the implementation of systemic solutions in the sphere of economic relations with other countries, the measures of economic policy will make for the development of the process of free pooling of foreign exchange on the basis of self-managing agreements--for the purpose of implementing joint development programs, joint receipts and joint income as well as joint production, cooperation and business and technical cooperation, and of carrying out services which contribute to a greater inflow of foreign exchange.

Through such an active policy in the sphere of acquiring and distributing foreign exchange, self-managing interest communities should exert a powerful influence on changing the conditions under which exporters work and whose competitive position on the international market they should support. The difficulties of the competitive position should be shared by all users of foreign exchange and by the participants in the self-managing agreements on acquiring, pooling and distributing foreign exchange...

In order to insure the necessary social discipline in this exceptionally delicate sector as well as on the basis of the experiences so far, the FEC has proposed to the SFRY Assembly that the basic documents on the balance of payments--including the balance of payments items of the republics and provinces as its integral part--as well as the act on the joint foreign exchange policy should prescribe a system of responsibilities and of powers for the consistent monitoring of the way the republics and provinces carry out their obligations in the relevant quarter of the year.

What is of greatest significance for the implementation of the established social development policy in 1980 is our activity on the implementation of more favorable relations in the distribution of income.

This all the more so, as we are in accord on the assessment that there has been for some time already a great discrepancy between the trends in all aspects of consumption on the one hand, and the realized income on the other--this being one of the essential sources of economic instability and causes of disruptions in our society which reflect particularly unfavorably on the material base of associated labor by making this base more and more poor.

In order to halt these unfavorable tendencies in the increase of consumption, the resolution envisages a slower growth in consumption and the setting in train of the process of coordinating consumption with available resources.

With the proposed policy in the sphere of distribution, the following basic goals should be achieved:

First, to establish greater harmony in relations between consumption and income in the sense of halting the trends of excessive growth in consumption, and by which a significant step would be made towards overcoming one of the fundamental causes of instability;

Second, to have resources within the framework of redistribution, which will be arrived at by reducing general, joint and personal consumption, channeled to accumulation funds, by which the positions of the organizations of associated labor in the sphere of expanded reproduction will be strengthened;

Third, to exert an influence on calming down ultimate demand in order that, by slowing down domestic economic activity, as much as possible of production and of services be reorientated towards exports, housing construction and other areas.

The most delicate question in this respect is the attitude towards the policy of personal incomes. The dilemmas which arose were not about whether to insure a certain direction in the distribution, but how to do it: Should it be done by setting a ceiling on trends in personal incomes across the board, as was contained in the draft resolution, and within this framework by applying the criteria of distribution, and not by linear increase or by determining a certain ratio between the increase in personal incomes and the increase in income? The estimate was that the first proposal offered a greater guarantee that there will be more harmonious relations in the distribution than in the previous years, when these relations were disrupted, and that at the same time there would be room for applying the criteria of distribution according to the results of work.

The attitude adopted was that the second proposal insured the necessary orientation in distribution and that it would, better than the first proposal, insure the basically greater material stimulus in the struggle for income--in other words, the greater dependence of the movement of personal incomes on the growth of income. In this way, this choice is in its essence more in keeping with the principles enshrined in the Law on Associated Labor.

As for the other forms of consumption, it is undeniable that they should be such as not to cause the kind of disruptions which we have been facing for years now and which represent one of the main causes of economic instability. More serious temporary restrictions need to be placed on some of the sectors of consumption, such as uneconomic investments. Owing to this the resolution envisages a slowing down in the growth of the funds earmarked for the general social and joint needs. It is envisaged that the growth of the funds earmarked for the joint needs could not exceed 15 percent in 1980 and that the growth of the funds earmarked for the general consumption of the republics, autonomous provinces and municipalities should not exceed 16 percent.

When speaking about relations in the sphere of consumption and the policy which should be pursued in this connection, we must note on this occasion again that we are entering 1980 with a high volume of the federal budget, which has a considerable effect on economic developments, and as such continues to represent part of the causes which fuel inflation and have an unfavorable effect on the realization of the policy of economic stabilization. Definite efforts have been made to announce at least to a certain extent the beginning of the defining of a different policy of growth of budgetary spending at the federal level, so that budgetary spending could be overcome as one of the significant causes which fuel inflation and economic instability. Naturally, when speaking about the federal budget I always bear in mind also the problem of general consumption through the budgets of the republics and the provinces and the municipalities. However, the thing that must be quite clear now is that in 1980 we must comprehensively consider and adopt decisions on a different manner of financing federal budgetary spending, as well as solve the problem of bridging the deficits in financing the federation--which is now insured with primary emission funds--and find a reply to the question of the budgetary obligations which have been carried over from previous years and have not yet been met. These are the most important tasks which face us in 1980 with regard to the federal budget and to finding a reply to the question of how budgetary spending is to be brought into line with the policy of economic stabilization.

In the sector of investing we are in the coming year again faced with the settling of serious problems concerning both the breadth of the investment building front and the structure of investing. The strain in the sector of investing stems from the fact that the volume of investments continues to exceed greatly our real accumulation, and also from the fact that the preliminary estimated value of individual projects, especially projects concerning the basic lines of development, continues under the influence of inflation to rise considerably and exceed the available funds which are not increasing in keeping with the needs arising from the completion of such projects. In 1980 it is necessary to make an approach on a broad front to the agreed channeling of the available funds towards projects and intended uses which may be expected to yield, in 1980 or within the shortest possible period, the kind of production which would have a positive effect on export-import trends. It is necessary to strive, by channeling funds on a self-managing and agreed basis, to increase the funds needed for the speediest completion of those projects which are of particular significance for the stabilization of the country's balance of payments with regard both to export production capacities and the capacities which produce products which would otherwise have to be imported. The building of projects which are of no broader significance for development trends should be delayed. These orientations in the field of investment should be backed by the fullest possible agreement of the republics and autonomous provinces on the channeling of the available funds in the direction of economic investments, and within the framework of the republics and autonomous provinces the carrying out of the policy of investing agreed in this manner should be insured by means of an agreement in which business banks should participate.

The obligations undertaken in the sector of noneconomic investments should be reexamined more thoroughly, with a view to halting the building of projects which are not in an advanced stage. This does not apply to housing, which should be made more dynamic. In the sector of noneconomic investments, it is necessary to introduce, by means of the appropriate regulations or agreement, restrictions applying to the investors' own share of the financing of specific projects, then to the temporary halt to the beginning of the building of new noneconomic projects in individual sectors, and to the postponement of the building of individual projects which are not of significance for the development of individual noneconomic activities or those whose building has not advanced far enough to insure their completion within a relatively short period.

There is no doubt that prices and the policy and relations in this field are one of the areas which will attract our special attention and involve all the social factors in the coming year. There are several reasons for this--above all, the rate of inflation is quite high and the trend is that it will continue to be the same next year again, with all the negative consequences. The indications of a possible rise in the prices of oil and the effect of the latter on the growth of domestic and foreign prices will make this problem even more complex.

The next year will be a transitional one with regard to prices and the social control of prices, because it is the year in which we should begin to apply the new systemic law on prices and the social control of prices. It will be necessary to adopt the appropriate supplementary legislation to insure the application of the systemic law. It will also be necessary to start the process of concluding self-managing agreements on relations in the sphere of prices on the new foundations, proceeding from the legally established criteria. A significant amount of work also awaits us in connection with the setting up of the communities for prices and with the creation of new relations in this sphere.

In the draft resolution for 1980 we opted for the creation of conditions which should make it possible to slow down inflation, which means slowing down the growth of prices. The carrying out of this task will take place in more difficult conditions, which is to say that the external economic conditions will be unfavorable, but that despite this, we must internally wage a resolute struggle aimed at relieving the pressures which lead to higher prices.

There is no doubt that the policy of socioeconomic development in 1980 will be implemented in very complex and difficult conditions, which makes the responsibility for the implementation of this policy all the greater. This gives rise to the need for all the self-managing and other social factors to involve themselves resolutely in the carrying out of the agreed tasks. Without the broadest involvement of and coordinated action by tens of thousands of subjects on the basis of joint interests and jointly agreed policy, it will not be possible to carry out the policy of economic stabilization successfully. At the same time, the next year should be marked by efforts to coordinate the policy of long-term development of energy generation, which has in the conditions created by the energy crisis been stressed in every way as the overriding prerequisite for insuring economic stability over a longer period of time. Apart from this, even at the beginning of the year we shall be duty-bound to take further steps to save energy and use it more rationally, and consequently we are faced by immediate work on the adoption of energy saving programs. In this connection it is necessary to insure the full cooperation of all the social factors, and the program should cover all the fields of consumption and contain both long-term and current measures. The FEC should be in charge of this work in cooperation with the executive councils of the republics and the provinces, the Yugoslav Chamber of Economy and others.

The following questions were often asked in the course of the work on the adoption of the resolution and the accompanying documents: Will the envisaged policy in the field of distribution be realized, is the rate of growth of export realistic, will the envisaged rate of importing reproduction materials realize the envisaged rate of growth of industrial production, and so forth?

However, we must firmly hold the view that there is objectively no alternative to the given policy, and that this must mean the full mobilization of all of society's forces to the realization of this policy and also the greatest degree of responsibility for its consistent implementation.

It will not be amiss to recall once more that the burden will not at all be an easy one, and that it will perhaps also be necessary to give up some major development ambitions and plans to a greater degree than we can envisage at this stage in order to insure stability. It is our great responsibility to insure that renunciations of this kind are not a burden imposed only on one section of the working class or on the working class as a whole. However, no lesser is the responsibility with regard to the equal attitude to the carrying out of the obligations arising from the accepted policy and accords. Unequal political behavior with regard to what has been agreed, unequal levels of responsibility to obligations, and uneven degree of readiness to make a contribution to the common interests could represent a serious obstacle to the successful implementation of the policy of development in 1980. This is what makes it necessary to achieve the full unity of action in the carrying out of the agreed policy.

PRESIDENCY DISCUSSES BALANCES OF PAYMENTS

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[Text] Belgrade--A session of the SFRY Presidency was held in Belgrade today with Vice President Lazar Kolisevski in the chair. Top federal officials also took part in the work of the session.

Vaselin Djuranovic, president of the Federal Executive Council, acquainted the Presidency with the fact that despite intensive work by the relevant committee of the SFRY Assembly's Chamber of the Republics and Provinces no agreement had been reached on the projected 1980 balance of payments of Yugoslavia, on the projected 1980 foreign exchange balance of Yugoslavia and the decision determining the total amount of foreign exchange for the needs of the federation in 1980.

The SFRY Presidency noted that the conditions laid down by Article 301 of the SFRY Constitution had been met, and it agreed with the proposal of the Federal Executive Council to pass legislation on the temporary determining of the projection of Yugoslavia's balance of payments for 1980, of the projection of Yugoslavia's foreign exchange balance for 1980 and on the amount of foreign exchange for the needs of the federation in 1980, as a temporary measure, in particular in order to prevent greater disruptions on the market. The Presidency believes that this temporary measure makes possible the further work concerned with the coordination of the attitudes of the republics and autonomous provinces.

The Presidency discussed topical problems of employment and of the stay of Yugoslav citizens abroad in the light of the implementation of the conclusions of the SFRY Presidency and of the LCY Presidium of 1973. The session noted that significant results had been achieved in implementing these conclusions. However, due to the still large number of workers on temporary work abroad and the changed conditions of their life and work abroad, and due to the extended stay abroad of a growing number of children and young people, which represent the so-called second generation as well as due to a growing influence of the foreign environment on these our citizens, the Presidency decided that the continuous and organized activity of all social factors in implementing the protection of the position and the rights of our citizens abroad and in preserving their identity as well as creating conditions for their gradual return home is necessary. In this connection the Presidency pointed out the need for taking concrete measures, that is, waging an even broader and more intensive political and practical action by relevant organs in the republics and autonomous provinces, federal organs and organizations and sociopolitical organisations in resolving topical problems of Yugoslav citizens abroad.

The session held a detailed debate on the basic issues which the Presidency will discuss in 1980. Some other issues within the jurisdiction of the SFRY Presidency were also discussed.